Evaluation of Self-Employment Sche[me] for Educated Unemployed Youth In Uttar Pradesh and Orissa

(138)

Sponsored by :

Development Commissioner, Small Scale Industries Government of India

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JULY 1987

EVALUATION OF SELF-EMPLOYMENT SCHEMES FOR EDUCATED UNEMPLOYED YOUTH IN UTTAR PRADESH AND ORISSA

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PREFACE

The evaluation study was undertaken on the initiative and financial support from Development Commissioner, Small Scale Industries, Govt. of India. We are grateful to the Development Commissioner for asking us to conduct this study by making requisite funds available for it. I am grateful to Prof. T.S. Papola for his kind guidance at various stages of the study, especially at the time of formulation of the research proposal and in framing the questionnaire. I am thankful to my colleague Mr A. Joshi at the Institute for his valuable comments. The survey and tabulation work was carried out by Shri B.S.Chauhan and Shri C.S. Garia and in addition the coding and tabulation work was also done by Smt. Pushp Lata Singh and Miss Sunita Asthana. The major part of the survey work was carried out by the local persons appointed for this purpose in different areas and I am grateful for their sincere work.

I would also like to record my appreciation to the officials of Directorate of Industries in U.P. and Orissa and District Industries Centres in Agra, Almora, Allahabad, Jalaun, Sitapur, Cuttack and Ganjam for their kind co-operation in making available necessary informations and facilitating the team members. My thanks are also due to Shri Anwar Hussain Siddiqui and Shri Manoharan K. who typed the draft and final copies of the report. Finally I would like to give my thanks to the respondents who had been interviewed during the course of field survey for their co-operation and tolerance.

Giri Institute of Development Studies, Lucknow. P. N. PANDE

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CHAPTER I

OUTLINE OF THE STUDY AND GENERAL DESCRIPTION OF THE BENEFICIARIES

The Problem and the Background

Unemployment is not merely a serious economic problem but is also an intensely human problem as well. It denies a person the opportunity to contribute towards the nation's progress on the one hand and to share the fruits of it on the other. Lack of adequate employment opportunities generate a widening circle of disparities which frustrates the hopes of improving the quality of life. The educated unemployed are even more unfortunate since besides the uncertainty of the future, they also feel that the entire expenditure on their education has proved to be an exercise in futility.

In the words of Prof. Raj Krishna "Unemployment in India, both in terms of magnitude and severity, poses a formidable challenge. Mobilisation of resources, accelerated growth, selective pattern of investment, proper choice of techniques and the appropriate spectrum of economic activities in rural and urban areas with due consideration to capital-employment ratio and availability of complementary factors of production suggest the multipronged approach required to tackle the problem".

According to the live-register of Employment Exchanges, the number of job seekers rose from 4.2 million in 1971 to 17.8 million in 1981. The labour force was estimated at 280 million in 1981. Thus only registered unemployment in India by itself accounts for more than 9 per cent of the labour force as compared to 1.3 and 3.4 per cent in Japan and U.K. respectively.

In India, according to the Annual Report of the Labour Ministry, the figures of unemployment had reached 21.73 million at the end of 1983 as against 17.20 million at the end of 1980. The problem of unemployment and under-employment has been with us in India for a very long time, though it was at the time of framing the Second Five Year Plan that it assumed primary importance and caused concern to Indian planners. The number of job-seekers on the Live-Register of the Employment Exchanges was only 0.33 million in the beginning (1951) of our Five Year Plans and now it has reached more than 22 million.

In the early years of Indian economic planning the strategy of maximisation of employment opportunities was not considered to be an important direct objective of planning. In the First Five Year Plan it was thought that generation of employment would automatically follow the economic development and employment generation was treated as a by-product of economic growth. The Second Plan gave a slightly better emphasis to the objective of employment generation. The Third Plan indicated that full utilization of man power resources can be achieved after a

considerable period of development. The approach of the Fourth Five Year Plan to direct employment generation was also not definite and the plan was started with a back-log of at least 13.6 million unemployed. With the new entrants to the labour force during 1969-74, a total of 40.8 million persons were in the employment market during that period. It was for the first time during the Fifth Plan that the basic emphasis was laid on the removal of poverty and attainment of self-sufficiency rather than a simply increased investment. For this employment generation was considered to be of vital importance. Growth was therefore, treated as a function of employment instead of investment. The major thrust had been given to the removal of unemployment and under-employment during Sixth Five Year Plan. The Plan target of employment generation was 49.26 million person years and for that the Planning Commission believed that in order to achieve this order of job creation, the rate of employment generation would have to be 5.3 per cent per annum.

The problem of educated unemployment is assuming alarming proportions in a situation of slow economic growth and ever growing rush for higher education. The prevalance of white-collar unemployment is omnipresent. Rural as well as urban areas are facing this drainage in resources. This kind of unemployment, though comparatively of a recent origin, has assumed very wide proportions. Special features of this tyoe

of unemployment is that it consists of those young job-seekers to whom society has invested its most scarce resources. The incidence of out right unemployment is perhaps the highest among educated persons. The number of educated unemployed on Live-Register of the Exchanges is swelling day by day and has increased at the rate of 20.1 per cent a year, from 9.7 lakhs at the end of 1966 to 22.91 lakhs at the end of 1971 for the country as a whole. The number had further increased to 81.63 lakhs at the end of 1980. Various developmental plans, implemented both at the Centre as well as at the State levels, have not been abled to solve the problem of unemployment.

The Background of the Scheme for Providing Self-Employment to Educated Unemployed Youth.

The scheme for providing self-employment to Educated Unemployed Youth is intended to provide opportunities of employment and income through creating productive assets. The objective of the scheme is to encourage the educated unemployed youth to undertake self-employment ventures in Industry, Service and Business through the provision of a package of financial assistance. The scheme aims at providing self-employment to the educated youth who are not able to muster their own capital. The scheme was started in 1983-84 with the objective of providing self-employment to about 2.50 lakhs educated unemployed youth through industry, service and business routes in each

year. All areas of the country except cities with more than one million population as per 1981 census are covered under this scheme.

Target Group

The scheme covers all educated unemployed youth who are matriculates and above and within the age group of 18 to 35 years and whose family income is not more than Rs.15,000 per annum. Women and technically trained persons are given due consideration. It is assured that the relatively affluent sections of the society do not avail the benefits from this scheme. Those unemployed persons are eligible who have registered their names in the respective District Employment Exchanges and they have to provide registration cards from the Exchanges. A domicile certificate is essential with the application for availing loan. At the beginning of the financial year, the scheme is advertised in local newspapers as well as in the Notice Boards of District Industries Centres. Adequate publicity is given to the scheme by D. I. C. and applications are invited directly.

Selection of the Beneficiaries

During the first two years after the initiation of this scheme, the selection of beneficiaries was made by taking interviews of the applicants. However, due to larger number of applicants, and some short-comings in the process, selection

is now made through lottery system. More than 25 per cent of the target is selected at the first stage of the selection. Then the selected candidates are screened by the "Task Force" at D. I. C. level.

District Industries Centres act as Nodal Agency and are assigned operational responsibility of the scheme at the District level. District Industries Centres in consultation with lead banks of the respective areas do the function as Nodal Agency for formulation of self-employment plans, their implementation and monitoring under the overall guidance of the State Governments. The D.I.C.'s formulate location - specific plans of action which are expected to be based on realistic demand assessment for various services and projects and the number of entrepreneurs which each particular line of production and services would be able to absorb.

The overall supervision is provided by Development Commissioner,Small Scale Industries with the assistance of the Banking Division of the Department of Economic Affairs and the Industry Department of State/U.T. Governments. Implementation of the scheme by D.I.C.'s involves, identification of beneficiaries, selection of specific avocations, identification of the support system required by the beneficiaries, escort services and close liaison with the Banks and other local agencies concerned with Industry, trade and service sectors. There is a "Task Force" at the D.I.C. level

consisting of the General Manager of D.I.C., who is its Chairman, Credit Manager of D.I.C., a representative of the lead Bank, concerned Small Industries Service Institute and the District Employment Officer. Two representatives from local important Banks are also members of the Task Force. The D.I.C. Task Force is responsible for (i) motivating and selecting the entrepreneurs; (ii) identifying and preparing schemes in trade, service establishments and cottage and small industries; (iii) determining the avocation/activities for each of the entrepreneurs; (iv) recommending loans for the entrepreneurs; (v) evaluating and recommending the industry service and trade plans; and (vi) getting speedy clearance as necessary from the authorities concerned.

Finance

(a) Composite Loans from the Banks

On identification of the beneficiaries but subject to their projects being found feasible or viable by the D.I.C. Task Force, the Banks provide to each entrepreneur a composite loan, not exceeding Rs.25,000. The Banks do not require a collateral guarantee or owner's contribution as margin.

(b) Government Assistance

The assistance from Government is in the form of an outright capital subsidy to the extent of 25 per cent of the loan contracted by the entrepreneurs from the Banks. The subsidy is released to Banks after disbursement of the loan.

It is not however, released to the borrowers. The subsidy portion is kept as a fixed deposit which is held by the Banks under the name of the borrowers and earns interest rate applicable to the relevant term of maturity. Total financial requirement of the project is given by the Banks in the form of a composite loan (term loan plus working capital). When three-fourth of the loan amount due is recovered, the balance of one-fourth is adjusted by the Banks against the deposit in the name of the borrowers. Assets created by the Bank loan is mortgaged to the Bank till full repayment of the loan. Where there is serious default and the dues are recovered, the amount if any, realised after meeting the Bank dues is credited to the Government accounts.

(c) Rate of Interest

The rate of interest on the composite loan is 10 per cent per annum in backward areas and 12 per cent per annum in other areas.

(d) Repayment

The repayment is in instalments beginning after an initial moratorium ranging from 6 months to 18 months. The repayment of the loan funds is the responsibility of the Banks concerned. The instalments range over a period of 3 - 7 years depending upon the nature and profitability of the venture. Local Bank Managers are allowed sufficient flexibility in dealing with case of default. In the case of bonafide default, rescheduling

is preferred.

Training

Many of the educated unemployed have some basic knowledge about financial management, accounting, inventory management etc. and training courses are not generally necessary except in industry sector. However, for those who require some basic training and advice about selection and use of equipment, the State Government may utilize the services of Industrial Institutes, Polytechnics etc. (from own budget) to provide training to them. District Industries Centres and Small Industries Service Institute Co-ordinate the training courses, whenever necessary.

Provision of Other Inputs

For trade and services, sites are preferentially organised from State Municipal Authorities, Town areas, notified areas, Development Authorities, Housing Boards and other local agencies. In alloting suitable sheds in industrial estates and land where necessary preference is given by State Government to those opting for Industrial routes. Where machinery and equipments are required, these are made available as far as practicable, by National Small Industries Corporation and State Agencies concerned with hire-purchase. Loan instalments for loan, sheds and machinery are the components of capital inputs. Similarly, a part of the loan is made available for the purpose of pre-operative expenses. If any beneficiary

wants to change the nature of this venture he has to seek the permission of the "Task Force".

Monitoring

The District Industries Centres also monitor the implementation of the scheme at District level for each sector, namely, Industry, Service and Business and monthly progress report in respect of applications sanctioned (sector-wise) by the Bank Branches in the District is sent by the Banks to the D.I.C.'s. The monthly progress reports by the D.I.C. to Development Commissioner, Small Scale Industries include information on number of beneficiaries identified (sector-wise), number of cases sponsored (sector-wise), number of project reports prepared (separately for Industry, Service and Business) amount of credit recommended and sanctioned (sector-wise) by the Banks as also the number of beneficiaries actually engaged. The monthly progress report in this regard is required by the District Advisory Committee of D.I.C.'s of which the Collector (District Magistrate) is the Chairman. The Committee meets once a month to sort out problems of implementation, co-ordination and monitoring. The progress report of the D.I.C. for each month is sent by the General Manager concerned so as to reach Development Commissioner, Small Scale Industries by 10th of the subsequent month, positively.

* *

Scope and Objectives of the Study

The evaluation study was undertaken with the objective of assessing the impact of financial assistance for self-employment to the educated unemployed youth in terms of (i) employment generation; (ii) additional income derived by the beneficiary families through investment financed under the programme; (iii) nature and pattern of self-employment ventures of the beneficiaries, cost of their investment, type of their production, value of annual production and sale; (iv) changes in the level of income and employment of the beneficiary families; (v) impact of the programme in the areas from the view point of employment and income generation among groups other than the beneficiaries through linkages of output, input, income and employment; and (vi) short comings, if any, in the implementation of the programme.

The main focus of the study was on income generation from the activities financed under the scheme and to see how far it has enabled the beneficiaries to raise their economic and social status. While assessing the incremental income, data was collected about the support received by the beneficiaries from D.I.C.'s and Banks. Detailed information was gathered about the procedure of identification and selection of beneficiaries as well as in the selection of different ventures. The problems faced by the beneficiaries in getting loan, acequiring technical guidance, procuring

raw material or machinery and equipments and any kinds of problems in the process of implementation of the scheme as well as in its operation were also examined with a view to suggesting any improvements in the functioning of the scheme. Recovery performance of the loan was studies not merely to ascertain the recovery percentages in the different ventures, but also to understand the reasons for the difference therein. The socio-economic background of the beneficiaries was also examined.

The evaluation study of the scheme was conducted in two States, viz., U.P. and Orissa. Five Districts from Uttar Pradesh and two Districts from Orissa were selected for the survey. The selection of the Districts was made from those Districts where there was maximum concentration of the beneficiaries under the scheme. From each selected Districts 20 per cent of the total beneficiaries were interviewed with the provision that a minimum of 200 beneficiaries and a maximum of 400 beneficiaries be selected from any District. There are five geographical zones in Uttar Pradesh, so from each zone, one District was taken. In Orissa, Districts were not taken on the basis of geographical classification. The study involved collection of relevant data from official sources and survey of beneficiaries who have received financial assistance under self-employment programme for educated unemployed youth during the first two years; i.e. 1983-84 and 1984-85 in the selected Districts. For the purpose of

this survey, beneficiaries were selected from the lists of the beneficiaries who had taken loan during 1983-84 and 1984-85. This was done because, it was expected that the beneficiaries who had taken loan during these years must have started their ventures and they would be in the production process by the time of this survey.

The selection of the sample beneficiaries was made on a stratified random sample basis. In each District a separate list of the total number of beneficiaries in each venture was listed out. From each group of the beneficiaries, the proportionate selection of the sample units was done on a random basis. Detailed information was collected from each selected beneficiary through structured questionnaire prepared for this purpose.

The selected Districts are listed below along with the number of sample beneficiaries according to the service, business and industry sectors.

Table - 1 : Districtwise Number of beneficiaries covered in Survey of Uttar Pradesh and Orissa.

State/Selected Districts	Number of Selected Beneficiaries			
	Service	Business	Industry	Total
UTTAR PRADESH:				
1. Agra	42	137	197	376
2. Almora	19	140	40	199
3. Allahabad	56	211	133	400
4. Jalaun	10	133	57	200
5. Sitapur	15	151	54	220
ORISSA:				
6. Cuttack	70	167	163	400
7. Ganjam	28	163	31	222
Total	240	1102	675	2017

Detailed investigation for data collection for the study was undertaken among a sample of 2017 beneficiaries from 5 Districts in the State of Uttar Pradesh and 2 Districts of Orissa. The survey was conducted during October 1986 - February 1987 with the help of a structured questionnaire and sought information on various aspects, mentioned earlier, related to objectives of the study.

<u>General Description of the Beneficiaries</u>

The families of the 2017 beneficiaries had a total population of 12027 persons; the average size of family being 5.96 in aggregate, 6.15 in Agra, 5.50 in Almora, 6.02 in Allahabad, 6.08 in Jalaun, 6.23 in Sitapur, 6.26 in Cuttack and 5.03 in Ganjam,(Table - 1.1). The proportion of persons engaged in any productive activity in whatsoever marginal way was as high as 62.40 per cent in Ganjam, 48.96 per cent in Cuttack, 44.20 per cent in Allahabad, 42.74 per cent in Almora, 42.31 per cent in Agra, 42.01 per cent in Sitapur and 41 per cent in Jalaun, overall proportion being 45.81.

All the beneficiaries belonged to the age group of 18 - 35 years, as prescribed under the scheme and only around 2 per cent of them were below 20 years of age. The percentage of this group was slightly higher in District Almora (4 per cent) and lowest in Ganjam (1.35 per cent). District Cuttack had no beneficiary in this age group. About half of the total sample were in the age group of 21 - 26 years. Then came the age group 27 - 32 years which constituted

about 43 per cent. The percentage of sample beneficiaries was 93 who were in the age group of 21 - 32 years(Table 1.1). Those above 33 years of age constituted 5.75 per cent in the sample. There was no significant variation in the age of the beneficiaries among the selected Districts.

When we look at the educational level of the beneficiaries we find that more than 26 per cent of the beneficiaries were educated upto High School level and the education of more than 29 per cent beneficiaries was Intermediate or Higher Secondary level. Graduate beneficiaries constituted 29.15 per cent in the sample. Taking all beneficiaries together, about 15 per cent beneficiaries were educated more than Graduate level. The pattern of educational level among beneficiaries was more or less same except in District Sitapur, where more than half of the beneficiaries in the sample were either Post-Graduate or above. If we analyse the State-wise figure, it is observed that in Orissa a relatively higher concentration of beneficiaries was found in lower educational levels (38.59 % High School and 30.55 % Intermediate) as compared to Uttar Pradesh (14.40 % High School and 27.89 % Intermediate) (Table 1.2). The marital status of the beneficiaries shows that about 52 per cent beneficiaries were unmarried. The percentage of unmarried beneficiaries was lower 48.39 per cent in Uttar Pradesh as compared to 58.84 in Orissa.

Information on work status of the beneficiaries before getting loan was collected. It was found that more than 81 per cent of the beneficiaries were unemployed before availing the financial assistance. This figure varied from 66.22 in District Ganjam to 93.50 in District Allahabad (Table 1.3). The percentage of beneficiaries, who were economically engaged in work before establishing the venture, stood at only 10.63. Around 5 per cent of the beneficiaries were attending classes before they began their ventures under the scheme.

Newspapers and other means of advertisement were the main source of first hand information about the scheme to the beneficiaries as reported by more than 64 per cent beneficiaries (Table 1.4). The next important sources were Government officials and friends/relatives and their percentage was 16.43 and 15.04 respectively. In most of the cases, decision for applying loan was taken by the beneficiaries themselves and as many as 88.70 per cent beneficiaries took an independent decision to apply for the loan. Only 6.64 per cent beneficiaries took advise from their parents for taking loan. There has been a positive co-relation between the age of the beneficiary and self decision for applying loan. Similarly more than 93 per cent beneficiaries had taken their own decision in the selection of the venture of their choice. In barely 5.26 per cent cases parents of the beneficiaries aided in the selection of the venture. The role of District Industries Centres has been very limited in this context and only 1.09 per cent beneficiaries had taken guidance from D.I. C. in the selection of their ventures.

CHAPTER II

LOAN DISBURSEMENT, LEVEL OF INVESTMENT AND LOAN REPAYMENT AMONG DIFFERENT VENTURES

Amount of Loan for Individual Beneficiaries

According to the provision under the scheme the individual beneficiaries were not entitled to get loans in excess of Rs.25,000. There has been District-wise variation in the amount of loan requested for and the amount of loan disbursed to the beneficiaries. It is found that, on the whole 81.03 per cent of the requested amount of loan was disbursed to the beneficiaries. The percentage varied from 59.41 in District Sitapur to 93.94 in District Ganjam. When we compare the State-wise figures on loan disbursement we find that Orissa has been relatively better off in this regard. In Uttar Pradesh the disbursement of loan was 78.73 per cent of requested amount, whereas in Orissa it was 86.86 per cent. This may perhaps partly be due to appropriateness of the projects submitted by the beneficiaries to D.I.C.'s in Orissa as well as in terms of a more realistic request demanded per project. On an average the per capita loan disbursement was Rs.19,537 against the average per capita loan request of Rs.24,045 (Table 2.1). We have been informed by the beneficiaries that the amount sanctioned by the "Task Force" is not fully disbursed by the Banks. In such cases, the cost structure of the unit is disbursed.

The per capita disbursement of loan was as low as Rs.14,513 in District Sitapur and as high as Rs.23,126 in District Ganjam. Among States, there has been marked differentials in per capita loan/disbursement. In U.P. the average per capita loan disbursed worked out to be about Rs.18,735 as against Rs.21,425 in Orissa (Table 2.1). Specifically, against the total sample size of 2017, the persons who were disbursed loans upto Rs.10,000 were 9.42 per cent, those disbursed loans between Rs.10,001 and Rs.15,000 were 15.62 per cent and those disbursed Rs.15,001 and Rs.20,000 were 25.24 per cent and remaining 49.72 per cent got loans ranging from Rs.20,001 to Rs.25,000. Again the size of disbursed loan was favourable to the beneficiaries of Orissa. The D.I.C.s and Banks have shown relatively better attitudes towards sanctioning of loan in Orissa. as compared to Uttar Pradesh. The percentage of beneficiaries was 13.41 who got loans of less than Rs.10,000 in Uttar Pradesh while only 1.29 per cent beneficiaries were in the sample who received this amount of loan in Orissa. But the percentage of beneficiaries was substantially higher (66.72%) who were given loan of above Rs.20,000 as compared to Uttar Pradesh (42.15%).

An analysis of time taken in starting the ventures after getting loan shows that about one-third of the beneficiaries had started their activities within one month of the disbursement of loan. There were three cases, out of total sample of 2017 who have reported that more than six months were needed

for starting their ventures. Non-availability of sheds, machines and power connections were the main reasons for the delays in starting the ventures. Generally, the units of Industry and service sectors took more time in starting the units as compared to the units of business sector. All the sample Districts have displayed a similar pattern.

Several reasons have been reported as the major factor in determining the choice of a particular ventures by the beneficiaries. About 40 per cent beneficiaries informed that they had made their choice since they either had the necessary skill related to the venture or some experience in that field of activity. Demand of the product was the second major (32.27%) reason for choosing the ventures. Family background was another factor which influenced the beneficiaries choice of a particular venture although its percentage was relatively low (16.51%). However, in Agra particularly in Industry Sector 90 per cent of the beneficiaries had family background (in leather and stone works) as the most important factor in determination of the activity under the self-employment scheme.

The beneficiaries availing the scheme have had to visit D.I.C. for submitting their applications (Projects) for financial assistance as well for attending interviews. After being selected they have to approach the concerning Banks. In many instances a number of visits became necessary to get the work done. Data pertaining to their visits to either

D.I.C.'s or Banks indicated that 61.77 per cent beneficiaries visited the D.I.C., while around 55 per cent visited the Banks five times each. The percentage of beneficiaries was 13.36 who reported that they visited D.I.C. more than 10 times. Some other beneficiaries reported that the number of their visits was more than 20. Similar trend was observed in the visits of beneficiaries to the Banks. The high frequency of the visits shows uncertainty of getting loan and unclear process of the loan disbursement. The visits to D.I.C.'s and Banks made by beneficiaries not only consumes time but also involves expenses, which could be avoided if work could be done according to routine.

Level of Investment

The amount of investment on a project or unit is usually conceived to be the sum total of the expenditure incurred on all items including fixed assets before the start of production and part of working expenses in order to keep the unit in operation. The units established under this programme are of different kinds and size and are operating in different conditions with different amount of investment. We have examined the amount of expenditure incurred by the sample units on fixed capital and for running the units during the year separately (as shown in Table 2.2).

It would normally be expected for industrial units to incur a relatively higher amount towards fixed capital, for business units a higher amount of running expenses, on the average, is visualised. The data shows that the amount of fixed capital per unit in the Industry sector was highest at Rs.16,216 followed by service units Rs.11,260 and Business units Rs.7,759 taking all the Districts together. In fact, the capital expenditure of industrial units was higher than that of other units because of expenditure incurred on the purchases of industrial implements, such as machines and tools, In the case of business units fixed capital is primarily required for obtaining sheds through outright purchases or construction but in most of the cases they had utilized their own premises for it.

The expenditure on machines and tools used in service units was relatively less as compared to the industrial units. As regards the annual running expenses per unit, it was found to be the highest at Rs.12,405 for business units followed by Rs.8,623 for Industrial units and Rs.6,443 for service units. The relative positions of the running expenses, keeping in view the nature of the activity groups and the size of the units in the sample displayed a trend that was quite natural.

Considering the individual Districts, we find that per unit amount of capital expenditure in respect of service Units was highest Rs.13,200 in Jalaun, followed by Rs.12,996 in Agra, Rs.11,567 in Cuttack and Rs.11,170 in Allahabad. This figure was lowest in District Almora (Rs.8,057). Capital expenditure in the case of Industrial units was highest with Rs.17,812 in Agra followed by Rs.17,221 in Allahabad, Rs.16,467 in Cuttack and Rs.15,607 in Jalaun. The lowest amount involved in capital expenditure was Rs.10,153 in Almora. In fact Almora had the lowest fixed capital in all the sectors and on an average, the overall capital expenditure was only Rs.6,476. The beneficiaries, it seems, have not shown sufficient initiative although the types of ventures undertaken in Almora are similar to those taken up elsewhere. Similarly, average working capital in the business sector was found to be highest at Rs.15,223 for Business units in Cuttack, followed by Rs.14,269 in District Jalaun, Rs.13,248 in Allahabad and Rs.12,810 in Ganjam. It was lowest Rs.9,594 in Sitapur. The running expenses in case of service units in the majority of the Districts was much lower in relative terms as compared to Industrial and Business units. If we analyse, the expenditure data in terms of States, we find that capital expenditure per unit was higher (Rs.11,420) in Uttar Pradesh as compared to Orissa (Rs.10.075) and the operational cost was lower in U.P. at Rs.10.082 against Rs.11,570 in Orissa (Table 2.2).

Looking at the units on the basis of size group of fixed cost it was revealed that 53.10 per cent of the total sample units had a fixed cost above Rs.10,000 each. The units were 19.48 per cent which had fixed cost less than Rs.3,000 each. The inter sectoral analysis of the data shows that the units of Industrial sector had substantially higher amount of fixed cost as compared to other sectors. In all Districts taken together, 78.67 per cent units of Industrial sector had fixed cost above Rs.10,000 each while these figures were 61.25 per cent and 35.66 per cent for units of service and business sector respectively. The units of Industrial sector show a similar trend in this regard in U.P. as well as in Orissa (Table 2.3).

The annual running expenditure of the units indicates that 36.34 per cent units had an annual running expenditure of more than Rs.10,000 each (Table 2.4). In Uttar Pradesh 37.92 units had more than Rs.10,000 annual running expenditure, taking all the sectors together as compared to 32.80 per cent units in Orissa. State Orissa had relatively higher percentage (64.59) of units which had annual running expenditure more than Rs.5,000 each. At the same time, the annual running expenditure of 4.34 per cent units was less than Rs.3,000 each in Orissa against 16.32 per cent in U.P.. Once again the units of Industrial sectors were found to be concentrated in the highest size group of running cost (Table 2.4) which reflected the higher expenses

on wages for hired labourers and expenditure on power. Industrial units had shown the potentiality of absorbing the manpower relatively at a higher rate.

In a number of cases it was observed that the loans disbursed were not sufficient to cover their costs-fixed and running. However, about 68 per cent of the total respondents informed that the amount of loan disbursed to them was adequate. The amount invested in the case of 649 units (32.18%) out of 2017 sample units was higher than the amount they had received as loan (Table 2.5). When we look at the District-wise data on the number of beneficiaries who had invested higher amount than the amount of loan disbursed to them, we find that it was 47.74 per cent in District Almora, 38.5 per cent in Cuttack, 36.97 per cent in Agra and 33.64 per cent in Sitapur. In District Allahabad only 15.50 per cent beneficiaries reported inadequacy of financial assistance and they made additional amount of investment in their units. The additional amount of investment per beneficiary worked out to be Rs.5,291 per unit (Table 2.5).

The sector-wise data on additional investment shows that 37.04 per cent of the Industrial units, 30.42 per cent of service units and 29.58 per cent of the Business units had made additional (higher than the loan) amount of investment on their units, taking all the Districts together (Table 2.6).

Again the units of Industrial sector reported higher amount of additional investment than the units of other sectors as we have mentioned earlier that per unit total investment on Industrial units was higher as compared to other sectors. The per unit additional amount of investment on Industrial units was Rs.6,858, in Business units Rs.4,646 and in service units Rs.2,892. State-wise figures indicate that the expenditure on total investment of 35.85 per cent units had higher than the amount of loan advanced to the beneficiaries in Orissa, while this figure for Uttar Pradesh was 30.54. Information was collected from the beneficiaries regarding the source of additional investment made by them on their units. As many as 80 per cent units had arranged the additional amount from their family members. Relatives and friends of the beneficiaries contributed about 8.32 per cent of the additional funds (Table 2.6). Money-lender still keeps a significant place in financing the entrepreneurs and 8.78 per cent of the beneficiaries (the beneficiaries who had made additional investments) had taken loan from them for the additional investment. Dis-investment was also a source of additional expenditure on investment, and as many as 3.54 per cent beneficiaries invested additional amount on their ventures by selling their household assets, such as land, building, animals, ornaments and consumer durables.

Thus it becomes apparent from the foregoing analysis that the loan and working capital advanced for establishing units in general and industrial units in particular under the scheme was not found to be adequate by a considerable number of respondents from the view point of proper functioning and economic viability of their units. In support of this statement, D.I.C. officials also informed us that Banks often fail to disburse full amount of loan sanctioned and required for meeting the total cost of the projects.

Repayment of Loan

The repayment of loans are to be made in several instalments by the beneficiaries and these instalments range over a period of 3 to 7 years depending upon the nature and profitability of the ventures. Data pertaining to the instalments of the loan indicated that the loan which the beneficiaries have taken is to be repaid by them in 42 to 68 instalments in all the sample Districts. However, in most of the cases as reported by the beneficiaries the Banks had adopted a same pattern for the borrowers as far as number of instalments is concerned. The number of instalments for per beneficiary accounted 68 in District Agra, 55 in Almora, 64 in Allahabad, 62 in Jalaun, 56 in Sitapur, 57 in Cuttack and 42 in Ganjam. Taking all the Districts together, the average number of instalments per beneficiaries worked out to be 59 (Table 2.7).

Though a clear differentiation has not been observed in different sectors in the individual States, but taking both the States together, it was found that there has been quite relaxation towards the fixation of instalments for units in Business sector. The number of instalments per beneficiary was 55 in service sector, 60 in Business sector and 57 in Industry sector (Table 2.8). The individual beneficiary has to repay his loan in a comparatively more instalments in U.P. than in Orissa, thereby leaving the beneficiaries of U.P. in an advantageous position.

The scheme has a provision that the repayment of loan in instalments begins after an initial moratorium ranging from 6 months to 18 months. However, in most of the cases, as reported by the beneficiaries, the recovery of loan had started immediately after the disbursement of loan and the Banks had not followed the rules in this regard. Early start to repayment has made the beneficiaries financially overburdened and this has in turn affected the overall efficiency of their units.

Data on repayment of loan made by the beneficiaries had also been collected from the beneficiaries and it was found that about 16 per cent of the total sample beneficiaries had not been able to repay the due amount of loan. This figure had displayed a wide variation in the individual Districts. As many as 32 per cent of the beneficiaries from Cuttack and as low as 2 per cent in District Allahabad had not repaid the due

amount of loan (Table 2.7). A marked variation in the proportion of beneficiaries who were not able to repay the due amount of loan is found between the two Sta 32 per cent of the beneficiaries reported that they had not been able to repay the due amount of loan against them. While this figure was 8.87 per cent in U.P. The individual sectors did not record any trend in this context.

Several reasons have been reported by the beneficiaries for their inability to repay the loans due. More than 53 per cent of those, who had not been able to repay the due instalments, had utilized the earnings from the ventures towards the purchases of day to day consumption items for their households (Table 2.9). Non-availability of funds due to lower levels of income from the units, has also been the reason for non repayment of the loan. The beneficiaries who reported very low income from the units as a reason for not repaying the due amount of loan, accounted about 10 per cent of them. About 32.19 per cent of the beneficiaries reported that they could not repay their dues as they had re-invested the earnings from the units in their ventures (Table 2.9). It is very encouraging to note that a reasonably high percentage of beneficiaries have re-invested their earnings for creation of new assets in their units in Orissa. Some beneficiaries in both States have defaulted for the very simple reason that they have not taken

up the matter of repayment seriously and so have failed to give repayment due significance.

When we analyse the data regarding the source of funds for repayment of the loan, it was found that earnings from units had not been the only source for it. However, 92.71 per cent beneficiaries were found to be repaying the instalments from the earnings of their ventures and remaining beneficiaries were giving instalments from other sources, such as family income, borrowing from relatives or friends or co-operative societies and by selling household assets. Taking all the Districts together, about 5.60 per cent beneficiaries were arranging funds for repaying loan from their family income. Borrowing from relatives had been the source of funds in about 0.90 per cent cases. However, few of them had also sold out their household consumer durable goods for this purpose (Table 2.10). The District-wise figures of beneficiaries who were repaying their loan from the earnings of the ventures reported to be 84 per cent in District Agra, 87.94 per cent in Almora, 98.25 per cent in Allahabad, 96.5 per cent in Jalaun, 95.45 per cent in Sitapur, 91.75 per cent in Cuttack and 97.29 per cent in Ganjam.

CHAPTER III

PATTERN OF EARNINGS FROM THE VENTURES AND THE PRODUCTION LEVELS OF INDUSTRIAL UNITS

Pattern of Earnings from the Ventures

The previous chapter had dealt with the levels of investment, loan disbursement and its repayment across the Districts and the two States as well as between different sectors. It will now be appropriate to examine the performance of units established under the scheme in terms of net earnings and its growth over the years. The earning from the venture depends upon the level of investment and size of the unit, nature of unit and its location, demand of the products, marketing and other infrastructural facilities. In addition, efficiency and efforts of the entrepreneur also play a significant role in the determination of income levels from the units. Data pertaining to the income from the ventures indicated that the net income from the ventures was not similar in different units. There has been variations in net income earned by the beneficiaries from their units as well as it is observed that there has been differentiations in earnings of units in different sectors and in the units within the sector : Taking all the sample units together, it is found that in the starting year of the ventures, the per unit annual net income was Rs.6,186 and the same had reached upto Rs.7,666 in the reference year,

showing an increase of about 21 per cent in the earnings over one or two years (Table 3.1). The individual Districts reported that in the starting year of the ventures, the per unit annual net income from the venture was highest Rs.7,303 in District Allahabad followed by Rs.6,792 in District Ganjam. The variation in the earnings from the units might be as a result of the performance of the ventures depending upon the size and nature of the investment. In the first year of the establishment, some of the units could not do better in accordance with their capacities due to time taken in procuring raw-material, machines and tools, sheds and getting power connections.

While making a comparative analysis of data regarding earnings from the units in different sectors we find that on the whole per unit net income was higher in service sector as compared to business (Rs.5,616) and Industry (Rs.6,840) during starting year. It would be worthwhile to mention that income can be earned from units of service sector without much time lag. While the returns from the investment in other sector, particularly industry, can be possible after a minimum gestation period. That is why in the starting year the earnings from units in service sector were found to be higher as compared to units in other sectors. However, the income data from the units in reference year shows that the per unit earnings from the Industrial sector were the highest Rs.8,158 as compared to Rs.7,516 in Business and Rs.6,973 in Service sector(Table 3.1).

When we compare income (Net) levels from the units established in individual Districts between starting year and the reference year, it is found that the highest growth rate in income has been observed in Business units (78.96%) in District Agra, followed by Service units in the same District. The earnings from the Industrial units in District Agra have not been upto desired level and have shown a negative growth rate. This is due to the fact that lack of proper demand for the product on the one hand and, hard competition in the market on the other, as reported by majority of the entrepreneurs was the main reason for the negative growth. As a result the substantial portion of their product could not be sold out. This can be evidenced by the fact that the per unit value of production in Industrial sector was highest in both the years in the District. In most of the cases, the entrepreneurs of the leather works reported that they have not been abled to sell a major part of their products. Similarly, the units of Service sector in District Allahabad have shown a substantially lower level of earnings in the reference year as compared to the first year of the establishment. It was merely Rs.3,064 per unit in reference year as compared to Rs.8,688 in the starting year. Most of the Service units in our sample were engaged in knitting work, cycle repairing and typing work in District Allahabad. The knitting work is seasonal and is, therefore, confined to limited months (winter months) and it has no regular source of income as well as at the same time heavy supply of readymade woollen clothes is flooded in the markets of the District which adversely affects the sale.

District Jalaun experienced slower rate of income growth in all the ventures in the same period of time. However, the performance of units in Business sector have shown a better trend and reported 27.12 per cent of growth in income from the units. In District Sitapur, though the per unit net income recorded lowest in both the years (Rs.4,655 in starting year and Rs.6,292 in reference year) taking all the sectors together but there has been substantial increase in the net income during reference year over the starting year (Table 3.1). As we have already discussed that per unit loan disbursement as well as level of investment was lowest in the District. In Business sector most of the units in our sample were engaged in the Business of general items, readymade garments, electric goods and clothes in the District as it was observed in other Districts also. In Orissa, the performance of units in District Cuttack has been relatively better as compared to District Ganjam although the growth rate of income from the Industrial units has been far better in Ganjam. Most of the Industrial units in the sample were engaged in manufacture of electrical goods, ink and Pan Masala in District Ganjam and the performance of these units has been relatively better as compared to units in other sectors. The units of Business sector in District Cuttack has shown a higher rate of growth in their earnings as compared to Business units in District Ganjam. This District is most populous on the one hand and Cuttack city being the biggest centre for Business activities in the

State, is the main source of forward and backward linkages on the other. The business activities in other surrounding Districts are mostly dependent on this city. In Orissa, taking all the sample units together, the per unit average earning has been better in District Cuttack (Table 3.1).

When the income levels from the ventures in Uttar Pradesh are compared with Orissa at different points of time, it is found that the per unit annual income has been higher in Orissa (Rs.7,800) as compared to Uttar Pradesh (Rs.7,606) in both the years taking all the sectors together, but the growth rate in the income has been higher 26.07 per cent in Uttar Pradesh as compared to 19.43 per cent in Orissa (Table 3.2).

In Uttar Pradesh, the earnings from units in Business sector (though per unit earning was marginally lower than the income from Industrial units) have increased by 40.28 per cent in reference year over the starting year, while there has been an increase of income by 19.40 per cent in Industrial units. The per unit income from Service sector was highest in all the sectors in U.P. during the starting year of establishment, but in reference year the income levels have declined and accounted 10.97 per cent lower as compared to starting year. In Orissa the per unit income from the Industrial sector was higher in the reference year and it was also recorded higher in starting year. The growth of income levels in all the sectors has shown

a similar pattern in Orissa. Though the per unit income was higher in Orissa during the reference year but the growth rate of earnings has been faster in Uttar Pradesh as compared to Orissa in reference year.

Taking all the sample units together it is found that the per unit income recorded was Rs.7,666 in reference year and it was 23.93 per cent higher as compared to per unit income in starting year. Though the units of Business sector have shown a higher growth rate of income but in the same time per unit income from the Industrial units was highest (Table 3.2). The performance of units in service has not been noteworthy.

It is interesting to note that some of the beneficiaries reported that ventures established under the scheme had been the only source of their household annual income. Taking all the sample units together, as many as 471 beneficiaries in starting year and 426 beneficiaries in reference year accounting 23.35 per cent and 21.12 per cent of the total sample beneficiaries reported that ventures were the only source of their household annual income (Table 3.3). These figures varied from District to District and year to year. Highest percentage of beneficiaries of such category were recorded in District Allahabad followed by Districts Agra and Jalaun. The percentage of beneficiaries having the ventures as the only source of household income was lowest in district Sitapur. Out of seven sample Districts, only two Districts, namely Allahabad

in U.P. and Ganjam in Orissa have reported a reduction in the number of such cases during reference year over the first year (starting year) of the establishment of the ventures (Table 3.3). It is reported that other members in some of such families have started to earn money in other occupations in these Districts. Division of the families was one of the main reasons for the increase in the number of beneficiaries having ventures as the only source of income in other Districts. It would be appropriate to mention here that the ventures have been the only source of household income in the households of nuclear families.

After the discussion of this issue, the question arises that how the families of these household were managing their livelihood and what were the sources of household income of these beneficiaries (*Those having the ventures as the only source of household income*)? Before establishing the ventures other members of the families of 292 (60%) beneficiaries out of 471 beneficiaries were engaged in low income activities. As soon as the income generated from the ventures they left the occupations, because these activities were uneconomic on the one hand and these occupations had lower status in the society. About 29.29 per cent beneficiaries reported that they themselves were earning the livelihood for their families before getting the loan by engaging themselves in one work or other. It is observed that division of families had been responsible for the decrease in the numbers of sources of family income. By chance, some of the earning members

of their families separated, when they started their ventures. The percentage of such cases was 6.58 of those households where the ventures had been the only source of household income after the establishment of the units. The earning members of some beneficiaries died in between starting the ventures.

When we analyse the frequency distribution of sample units by income groups it is found that more than one-fourth of the units had their annual income below Rs.4,000, taking all the sample units together. At the same time 6.69 per cent units reported that their annual income was more than Rs.12,000, each (Table 3.4). The percentage of units which had the annual net income Rs.4,000 - 8,000 each, was 45.56 per cent. About 22 per cent units accounted the annual income from the ventures between Rs.8,000 - 12,000 each. During the reference year, about 13 per cent units jumped from lower income groups to higher income groups. The individual districts exhibited a different picture as far as income levels from the ventures and their growth pattern are concern ed. The percentage of units, which had annual income (net) less than Rs.4,000 each was highest, 42.21 per cent in District Almora followed by 36.36 per cent in Sitapur and 27.50 per cent in Jalaun. It was lowest 11.71 per cent in District Ganjam followed by 17.02 per cent in District Agra. On the other hand the percentage of units having annual income more than Rs.12,000 each was highest (10.64%) in District Agra and was closely followed by Sitapur (10.45%). This figure was lowest in District Almore (3.02%) and again very closely followed by Ganjam (3.15%).

During reference year, the percentage of units having annual earnings less than Rs.4,000 each was highest (19.00%) in District Jalaun and lowest (8.77%) in District Agra. The performance of units in District Almora has been significantly better than the units in other Districts, and the percentage of units has been substantially higher which reported a higher level of income from the units during reference period. Highest percentage of units in District Almora have claimed to cross the lower income strata during this period. It is evidenced that in the starting year only 3.02 per cent units had the annual income above Rs.12,000, but in the reference year this figure had reached upto 11.55 per cent in the district. Similarly the proportion of units which had annual income less than Rs.4,000 has declined from 42.21 per cent in the starting year to 18.59 per cent in the reference year.

District Agra again retained the top position during reference year and recorded the highest percentage (19.14%) of units which had the annual income above Rs.12,000 each (Table 3.4). Districts like Jalaun (6.00%) and Ganjam (6.75%) recorded the lowest percentage of units which had annual income more than Rs.12,000 each and these figures have not increased in such order during the reference year as evidence by other districts. The State-wise distribution of units by income groups indicated that the percentage of units showing annual income less than Rs.4,000 each was higher in U.P. as compared to Orissa in both the years. Similarly the proportion of units having annual

income above Rs.12,000 each was also higher in U.P. Table 3.4). Overall, the pattern of shifting from lower income strata to higher income strata has been faster in the units of U.P. as compared to Orissa.

As we have already mentioned, on an average, there has been an increase of 23.92 per cent in the income earned by the entrepreneurs from their units established under the scheme over a period of one or two years. In the same time the earnings from the units have not been in similar order. However, as many as 271 beneficiaries (13.43%) out of total 2,017 sample beneficiaries reported that net income from their units has declined in the reference year over the starting year (Table 3.5). The percentage of units showing decline in the net income from the units varied from 8.00 per cent in District Allahabad to 24.50 per cent in District Jalaun. A marginal variation has been observed in the proportion units showing decline in the net income between Uttar Pradesh and Orissa. It was 13.83 per cent in Uttar Pradesh and 12.54 per cent in Orissa (Table 3.6). The sector-wise performance of the units regarding the decline in their earnings indicated that the percentage of the units in Industrial sector was substantially higher in Uttar Pradesh as compared to Orissa. As high as 19.75 per cent and as low as 7.73 per cent units of Industrial sector in respective States shown a decline in their net earnings during the period of reference year over the starting year. Within Uttar Pradesh the percentage of units in Industrial

sector showing a decline in their levels of income in the reference year as compared to the starting year as compared to the other sectors of the State and all these 3 sectors of Orissa. In the case of Orissa, however, it was the Business sector which had a relatively higher decline (17.57%). In both the States, taken together units in service sector reported relatively a lower percentage of decline in the levels of income. When we look the income levels of all the sample units together in both the years (starting year of the venture and the reference year) we find that 7.91 per cent units of service sector and 12.88 per cent units of Business sector reported a declining trend of their net earnings from the units. However a higher proportion (16.29%) of units in Industrial sector witnessed a decline in their income from the ventures during the reference year. Lack of proper demand for the products in general and shortage of funds to meet their running expenditure in particular have been the main causes for the decline in the income levels by the units of Industrial sector.

Utilization of Income (Net) derived from the Ventures

As we have seen that the income derived from the ventures established under the scheme has contributed a substantial portion to the househol d income of the beneficiaries and it has also played a significant role in increasing household incomes. Furthermore, it has been recorded that ventures were the only source of livelihood for some of the beneficiary families. It would be appropriate to examine the utilization of the income

earned from the ventures. Data on utilization of the income (net) indicated that only 47.27 per cent beneficiaries had reinvested some amount of their earnings towards their ventures. Sectorwise figures in this regard reveals that there has been variation in the proportion of beneficiaries who has reinvested a part of their income within their units. It was highest (62.67%) in Industrial sector as against Service sector (20.00%) and Business sector 43.56%). The number of beneficiaries who have reinvested is not as important as the proportion of reinvested amount to the total earnings of a unit.

Taking all the beneficiaries together, it was recorded that 16.58 per cent of the total net income from the ventures has been reinvested in their units. Overall, per capita amount of reinvestment was recorded to be Rs.1,271. A comparison of per unit reinvestment amount explains that it was substantially higher at Rs.1,763 in Industrial sector as compared to Rs.1,156 in Business sector and Rs.415 in Service sector. Except for the service sector where the amount of reinvestment is rather small, reinvestment is not very low considering the size of the operation, per unit net earnings and the income strata to which the beneficiaries belong. In the case of the Service sector also the nature of activities is such that the scope for reinvestment itself is limited besides the fact that the sector generally has lower incomes as well as compared to the other two sectors. Though the proportion of beneficiaries who had reinvested the income from the ventures was marginally larger in U.P. as compared to Orissa but the percentage of reinvested amount was considerably higher in U.P.

Generally the income (net) earned from the ventures was being spent on the consumption items and it was observed that 77.63 per cent of the income has been spent by the beneficiaries on the day-to-day consumption items for domestic uses. This is quite understandable since the people are at relatively lower levels of income where their marginal propensity to consume is quite high and subsequently a sizeable portion of the increased incomes is spent on consumption. Few beneficiaries have also spent a portion of their earnings on the purchases of consumer durable items for their families. Data reveals that there has been a tendency among the beneficiaries to deposit some part of their earnings in the Banks or Post Offices and this constituted about 2.56 per cent of the total earnings.

Production Level in Industrial Units.

The activities of the Industrial units in our sample study varied District to District and area to area, depending upon local resources, funds, demand of the product and its marketing, but some of the activities adopted by the beneficiaries were common in all the sample districts. The activities like, printing press, book binding, manufacturing of furniture, oil mill, flour mill, knitting work, etc. were the common activities adopted by the beneficiaries in all the districts. Some of the activities were area-specific such as leather, bangle and marble in district Agra, manufacturing of woollen and confectionary item in district

Almora, printing, book binding, manufacturing of furniture and ornaments in District Cuttack, oil extraction and dairy in Sitapur. Industrial units like, ice-factory, saw mill, oil mill, Knitting industry soap industry are confined to particular season and has not been a regular source of earnings. Obviously, the performance of these activities was not reported as good as other activities in production process. The activity of Industrial units seems much risky than the units in other sectors. The sample size of Industrial units was 33.47 per cent of the total sample units and varied from 14 per cent in District Ganjam to 52.39 per cent in District Agra.

Taking all the districts together, it was found that the value of per unit annual production in Industrial units was Rs.34,548 in reference year as compared to Rs.26,711 in starting year, showing a growth rate of 29.33 per cent. District Agra ranked first in this regard where the value of per unit production was Rs.48,000 in starting year and Rs.58,813 in reference year (Table 3.7). The Industrial units in District Agra have shown relatively better performance as compared to Industrial units in other Districts and accounted even more than three times better than some of the districts as far as production is concerned.

The better performance of Industrial units in District Agra reflects the good infrastructural facilities, such as availability of raw material, power and marketing facilities on the one hand, the storing family background regarding the activity on the other.

Leather works and bangle making are the two main activities of Industrial units of the beneficiaries in the sample units of the district. More than half of the beneficiaries were engaged in these two activities. Demand for items produced by these activities remained same throughout the year as well as supplier of the raw materials were easily available. The main reason behind the better performance of these activities was also that beneficiaries had relatively more skill and efficiency through their family background as these activities are going on for many generations. The Industrial units in district Sitapur were relatively smaller in size and most of the beneficiaries were engaged in producing items which had seasonal demand and this seasonal variation in demand has great impact on the performance and earnings of the ventures. The per unit loan disbursement was also lowest in the district and similarly per unit expenditure (fixed and operational) was also lower : Industrial production was also found to be lowest in District Sitapur in both the years (first year and reference year) and per unit value reported Rs.13,614 in starting year and Rs.16,843 in reference year.

The value of annual production in Industrial units in District Almora has increased at a faster rate (47.78%) in the reference year over the starting year as compared to other districts. Maximum concentration of the units was in knitting works producing woollen clothes and furniture works. The activities were confined to limited months in a year in other districts, but due to climatical reasons, the production and demand for these items remained

unchanged in District Almora. The growth rate in the value of Industrial units has been lowest in District Jalaun and it accounted for a growth of only 11.96 per cent in reference year over starting year (Table 3.7). Printing Press and manufacturing of Furniture were the main activities in which maximum number of beneficiaries were engaged. Lack of proper demand for these items was the main reason for slow progress of the units. Kanpur city being a big Business and Industrial centre is nearest to the District Jalaun and it is easier for customers to purchase or collect things on a reasonable rate from Kanpur city. Thus we can say that the selection of some units was not suitable in District Jalaun and these units could not enhance their production as compared to other districts. In Orissa, District Cuttack was relatively better in this regard as compared to District Ganjam.

As we have already discussed earlier that the growth rate in the value of annual production in all industrial units has not been in similar order in all the districts in reference year over the starting year. This was due to location of the units, skill and efforts of the entrepreneurs, marketing facilities and availability of raw material in the areas. When we analyse the distribution of Industrial units by value of annual production groups, we find that overall, in starting year 24.89 per cent units had the value of annual production was upto Rs.10,000 each, 23.56 per cent units had between Rs.10,001 - 15,000, 17.04 per cent units had between Rs.15,001 - 20,000 and remaining 34.41 per cent units had above Rs.20,000 each (Table 3.8). Data reveals that about 39 per cent units had shifted from the lowest group of below Rs.10,000

(as the value of their annual production) to higher value of production groups and in the same time the number of units has increased from 233 in starting year to 327 which has production value above Rs.20,000 in reference year out of total sample of 675 Industrial units. There was higher percentage of units in District Almora which had relatively smaller value of annual production and more than half of the sample units in Industrial sector had the value of annual production less than Rs.10,000 each in both the years despite the fact that production showed a very high growth. This was due to smaller amount of investments in these units as per unit loan disbursement to the beneficiaries was comparatively lower in the district. In District Agra in Uttar Pradesh and District Ganjam in Orissa, smaller proportion of units were in the size group of annual production value upto Rs.10,000 each in starting year and in the same time proportion of units was higher which had value of their annual production about Rs.20,000 each. Similarly in the reference year (when survey was conducted) both the districts had relatively higher concentration of units in the same value group.

CHAPTER IV

IMPACT OF THE SCHEME ON HOUSEHOLD INCOMES AND EMPLOYMENT GENERATION

Level of Household Annual Income

Data on household income of the beneficiary families from different sources were collected and changes in the levels of household income in three years, i.e. before the establishment of the venture, first year of starting the venture, and reference year (1985-86). Before establishment of the units under the scheme, the per household annual income of the respondents was Rs.9.136 taking all the districts together. The per household annual income was highest Rs.10,719 in District Cuttack followedby Rs.9,828 in District Allahabad, Rs.9.638 in Agra and Rs.9,350 in District Ganjam. It was lowest Rs.6,339 in District Sitapur followed by Rs.7,493 in District Jalaun. The household income of the beneficiary families had increased by 62.23 per cent immediately after the establishment of the ventures. When we look at the individual districts, it is found that the per household income of the beneficiary families had increased by more than 116 per cent in district Sitapur.

However, district Ganjam ranked first in the list of districts having highest per household income in the first year of the establishment of units. The per household average annual income of beneficiaries was Rs.16,833 taking all the sample districts together. Though marginal variation was recorded in per household annual income between Uttar Pradesh (Rs.16,764) and in Orissa (Rs.16,988) but among the districts, per household annual income levels varied from Rs.17,984 in district Agra to Rs.13,862 in district Jalaun (Table 4.1). The proportion of income generated from the venture established under the scheme was significantly very large in the total household income. Taking all the districts together, as much as 45.55 per cent of household income was contributed by the units established by the beneficiaries. The other major sources of income were salary and wages and business, trade and commerce and their respective proportion was 22.47 per cent and 21.52 per cent (Table 4.1). When we notice, the contribution of ventures in the households of individual districts, we find that the contribution of income earned from the units in total household income was highest 48.63 per cent in District Allahabad and 48.18 per cent in District Almora, followed by 47.84 per cent in District Jalaun and 46.96 per cent in Cuttack (Table 4.1). It was lowest 38.54 per cent in District Sitapur. The individual states have not shown any noticeable variation as far as contribution of income generated through the ventures in total income of the household is concerned.

The comparative analysis of household annual income from all the sources in three different years indicated that the household income of the beneficiary families before the establishment of the ventures was substantially lower as compared to the household income after the establishment of the ventures which highlights the positive role of self-employment programme in increasing the household income. Before the establishment of the ventures the per household annual income of the beneficiary family was Rs.9136 which increased to Rs.14,821, showing an increase of 62.23 per cent immediately after the establishment of the ventures, further it has increased by 13.58 per cent in the reference year over the starting year of the ventures (Table 4.2). When we compare the household income between the reference year and before establishment of the ventures, it is found that the per household income has increased as high as 84.25 per cent in the reference year as compared to before establishment of the ventures taking all the sample size together. Among individual districts, the increase in the household income in reference year against the time before the establishment of the ventures was highest 157.55 per cent in District Sitapur followed by 86.59 per cent in District Agra and 85.00 per cent in Jalaun. The growth of household income has not been as high in reference year over starting year of the ventures as it had been between before starting the venture and in the starting year (Ist year of the establishing). This is so because incomes suddenly rose from a low level to a relatively much higher one accounting for a very high growth. However, it was highest at the rate of 31.84 per cent in District Agra followed by District Sitapur (19.17%) and Allahabad (17.09%) while in the same period

the income from ventures in these districts has been increased by 39.21 per cent, 36.16 per cent and 14.16 per cent respectively.

According to the provision under the scheme, financial assistance is given to only those individuals whose family income from all sources does not exceed Rs.15,000 per family per annum. Taking household income of the beneficiaries as a proxy(criteria) for the eligibility of availing the financial assistance under the scheme, data indicated that 99.50 per cent in Sitapur, 95.05 per cent in Ganjam, 93.25 per cent in Allahabad, 92.46 per cent in Almora, 87.00 per cent in Cuttack and 83.51 per cent in Agra were eligible for getting loan as the income of their families was less than prescribed norm (Table 4.3).

Out of the total sample of 2017 units as much as 171 beneficiaries were not basically entitled to get loan but due to unfair means 8.48 per cent beneficiaries have been able to get loan by submitting false documents to District Industries Centres related to their family income. The beneficiaries of Uttar Pradesh were ahead in this malpractice and 10.13 per cent of the non-eligible beneficiaries were able to procure loan under the scheme. This figure was only 7.74 per cent in Orissa. It has been noticed that out of total 2017 beneficiary households, the number of families having annual income upto Rs.15,000 each have decreased from 1846 before the establishment of the ventures to 1277 in the first year of their establishment and further to 973 in reference year, accounting 91.52 per cent, 63.31 per cent and 48.24 pr cent respectively of the total households in the sample, (Table 4.3). The percentage of beneficiaries whose family income

was above Rs.15,000 each in the reference year was highest 65.77 per cent in district Ganjam, followed by 56.38 per cent in District Agra, 54.50 per cent in Allahabad and 51.75 per cent in Almora. It was lowest 39.50 per cent in District Jalaun followed by 43.75 per cent in District Cuttack. All the sample districts reported an increase in the family income of the beneficiaries at a substantial rate in the immediate year of the establishment as compared to subsequent years. Though there has been an increase in the household income in reference year over the first year of the establishment, but the rate was not high as reported in the starting year over the year when there was no ventures. Earnings from the ventures were the major reason for the substantial income in the household income, but there were other reasons for the growth of income levels. Increase in the number of earning members, shift and change in the occupational pattern, growth of income in other sources as well as increase in the number of other sources were other reasons which have contributed positively in the share of household income.

Employment Generation

Employment generation is the main objective of providing loan to the educated unemployed youth. Let us examine the extent of employment generation among the beneficiary families as well as outside persons in the units established under the scheme. In the total of 2017 sample units, 2074 family members (including beneficiaries) and 660 hired persons (workers) were employed on a full time basis claiming 1.36 persons per unit during starting year. At the same period 65 persons from beneficiary families and 40 persons from outside were partially employed. The average employ-

ment of units was 1.36 persons per unit in the starting year. District Agra had shown higher rate of employment generation 1.51 persons per unit, followed by Allahabad 1.44 persons and Cuttack 1.42 persons per unit (Table 4.4).

Information was collected from the beneficiaries pertaining to employment levels in the units for two years; one for the starting year and second for the reference year (when survey was conducted). In the reference year the employment opportunities in the units have increased by 24.80 per cent over the starting year. In over all, 3412 persons (2155 from families and 1257 persons from outside) were economically engaged in these units on a full time basis including the beneficiaries themselves. Districts like Agra and Jalaun have shown a higher growth rate (more than 48 per cent) in providing employment opportunities in the units as compared to District like Almora (7.66%) and Sitapur (10.19%).

The inter-sectoral analysis of the data regarding the employment level in the units established by the beneficiaries indicated that labour absorption was substantially higher in Industrial units as compared to other sectors. Taking all the sample units together, the per unit (full time) employment generated under the scheme was 1.73 persons in Industrial units as against 1.18 persons in service and 1.42 persons in Business sector during the starting year (Table 4.5). The labour absorption capacity of Industrial units was higher (1.75 persons) in Uttar Pradesh as compared to Industrial units in Orissa (1.66 persons). Similarly, the growth rate of employment opportunities in Industrial sector has been higher in

the reference year over the starting year. It was 40.33 per cent in Industrial units, 22.61 per cent in Service and 11.15 per cent in Business sectors. Again the Industrial units in Uttar Pradesh have shown a better performance in creating employment opportunities as compared to Orissa (Table 4.5). The number of persons employed on part time basis has also increased in these units over the years. During the reference year, the beneficiaries also reported higher number of persons were engaged in the activities of the units. The per unit employment level was 2.43 persons in Industrial units, 1.45 persons in Service and 1.29 persons in Business sector and in aggregate it was 1.69 persons per unit in all the sectors during the reference year as against 1.36 persons in the starting year of the ventures. Size of out put, level of fixed capital and demand for the products were the main components for determining the level of employment in the Industrial units.

On a relative basis the units of U.P. seem to have performed better from the point of view of employment generation than those of Orissa despite the fact that they have a slightly higher average fixed cost per unit.

We may therefore conclude that the *Self Employment Scheme* has been fairly successful in achieving its twin objective of raising incomes as well as employment potential as can be seen by the changes in the levels of income after establishment of the ventures and also in terms of employment generated not only to the beneficiaries themselves but also to their family members and others within the area.

Wage Levels of Hired Workers in the Sample Units

As has already been pointed out, not only are the beneficiaries employed in the units established under this scheme, but hired workers from outside are also gainfully employed in these units. As far as wage levels of these workers are concerned it is observed that there has been differentials in the wage rates of workers engaged in different units and sectors. The districtwise analysis of per worker wages indicated that among the sample districts, the per worker wages are found to be substantially higher in district Agra as compared to other districts. The per worker annual wages was highest Rs.6,924 in District Agra, followed by Rs.4,896 in District Sitapur and Rs.4,350 in District Allahabad (Table 4.6). It was lowest Rs.2,877 in District Ganjam, followed by District Cuttack. However, among the sample districts of Uttar Pradesh, the wage rates of hired workers was lowest in district Jalaun (Rs.3,251) followed by District Almora. The per worker wages of Agra have been found higher as a result of the very high Industrial wages of that district. Earlier we had pointed out that units of shoe manufacturing, glass ware and stone works were the main activities of the entrepreneurs engaged in Industrial units of Agra. These activities require a much more trained and skilled worker and this primarily accounts for the higher rates of wages. The comparative figures of per worker wages between the States indicated that wage levels were substantially higher in Uttar Pradesh as compared to Orissa.

Data pertaining to the wage levels among the workers of different sectors, it reveals that wages of workers engaged in Industrial sector were much higher than the wages of workers in other seotors in Uttar Pradesh. However, in Orissa, wages in Service sector were marginally higher than others although the variation in wage rates is only marginal between sectors. In both the states, it is found that wage rates of workers employed in Business sector were lower as compared to wages in other sectors. The per worker yearly wage was Rs.5,950 in Industrial units, Rs.4,145 in Service units and Rs.3,115 in Business units in Uttar Pradesh. It was substantially lower in Orissa and accounted Rs.3,161, Rs.3,204 and Rs.3,098 respectively (Table 4.7).

Although it is seen that both the Industrial and Service sectors need skilled workers, the need is particularly more in the case of the Industrial sector. In Business sector, however, the units do not require any kind of skill and even an unskilled worker on lower wages is sufficient for the work. Taking all the sectors from both the States,it is found that the wage levels of workers in Industrial sector were substantially higher as compared to other sectors. Expenditure on payments towards wages has been a major component of running expenditure for the units. Data on expenditure towards wages highlighted that this component of expenditure alone constituted 23.87 per cent, 5.75 per cent and

83.49 per cent of total annual running expenditure of service units, business units and industrial units respectively.

When we analyse the frequency distribution of hired workers employed in the sample units according to the group of their wage levels, it is found that in districts like Agra, Allahabad and Sitapur the number of hired workers was concentrated in the higher wage groups. However, the sample districts of Orissa recorded that the largest number of workers were found in the lower group of annual wages (Table 4.8). Taking all the sample Districts together, the percentage of workers who had annual wages in excess of Rs.6,000 each was 17.74. The worker who had annual wages less than Rs.1,000 each constituted about 15 per cent of the total hired workers. The workers, who had annual wages between Rs.2,000 to 4,000, constituted 32.30 per cent of total hired workers.

CHAPTER V

PROBLEMS AND OTHER LIMITATIONS OF THE SCHEME AS VIEWED BY THE BENEFICIARIES

It was thought that while detailed analysis was being carried out on the success of the scheme from the point of view of investment and asset formation, income and employment generation and improvement in the overall living conditions, it would be equally appropriate to analyse the scheme itself. The rationale behind this approach was to find out whether the scheme is really fruitfu, whether the persons for whom it has been drafted are fully aware of it and are familiar with the procedures and to find out the different types of problems which the beneficiaries had to go through in their endevour to get their loans sanctioned and also to see the attitudes of the Government and bank officials who play a key role in selection of beneficiaries and disbursement of loans. For this we not only had discussions with Government and Bank officials but we also gathered information from the beneficiaries themselves to obtain their views and experiences.

Level of Knowledge Among the Beneficiaries About the Procedure of Subsidy

As per provision in the scheme, the beneficiaries are given assistance from Government in the form of an outright capital subsidy to the extent of 25 per cent of the loan disbursed to the entrepreneurs from the Banks. The subsidy is not released to the borrowers in cash and the subsidy portion is kept as fixed deposit

which is held by the Banks under the name of the borrowers and it earns interest. The total financial requirement of the project is given by the Banks in the form of a composite loan. When three-fourth of the loan amount due is repaid by the beneficiary, the balance one-fourth is adjusted by Banks against the deposit (as subsidy) in the name of borrowers.

When the beneficiaries were asked about the liking of the procedure adopted in subsidy, it was rather strange to note that very few of them had the proper knowledge of subsidy and its procedure in the scheme. Even some of the beneficiaries reported that they had no knowledge of subsidy in the scheme. About 8 per cent, out of total beneficiaries in the sample, did not have any knowledge of subsidy in the scheme. The number of beneficiaries who did not have any knowledge of subsidy varied district to district. It was as high as 14.57 per cent in district Almora and as low as 3.63 per cent in district Sitapur (Table 5.1). In other sample districts, the percentage of such beneficiaries was 7.18 in District Agra, 9.75 in Allahabad, 13.00 in Jalaun, 7.75 in Cuttack and 4.05 in District Ganjam. A marked variation in such cases has been observed in the States. The beneficiaries who were not aware about the subsidy constituted a higher percentage in Uttar Pradesh as compared to Orissa. The provision of subsidy was not known to 9.24 per cent of the beneficiaries in U.P. as against 4.98 per cent in Orissa (Table 5.2).

After examining this issue, it is generally felt that the scarce means of Country's economy is being distributed in the form of financial assistance to those who do not know the ins and outs of the scheme as well as the fruitful utilization of the funds is not being done upto desired level. Due to inadequate knowledge about the programme, the scheme lacks the cooperation and spirit of participation from the beneficiaries. Participation of beneficiaries is essential condition for the success of this programme.

After being given detailed information about the procedure of subsidy in the scheme, about 15 per cent of the total beneficiaries in the sample did not like that the amount of their subsidy should be deposited in the Banks and at the same time they reported that subsidy should be given to them in cash. The individual districts displayed a different picture regarding this information and it was a high as 32.00 per cent in district Cuttack and as low as 3.75 per cent in district Allahabad (Table 5.1). A considerable number of beneficiaries in other districts also reported that they were not in favour of existing procedure of subsidy. The beneficiaries who were against the procedure of subsidy was 8.24 per cent in district Agra, 21.60 per cent in Almora, 13.50 per cent in Jalaun, 16.81 per cent in Sitapur and 4.95 per cent in district Ganjam. The state-wise figures have shown a marked variation in this context. It is observed that a larger percentage of beneficiaries were not in favour of the procedure in Orissa (23.79%) as against U.P.(10.96%) (Table 5.2). These beneficiaries wanted the amount of subsidy to be paid in cash.

Problems faced by Beneficiaries in Starting the Ventures

During investigation, it was found that certain problems were faced by some of sample beneficiaries in starting their ventures, which probably led to delays in starting the ventures. Problem of land and premises for units was the most important among the problems, nearly 8 per cent beneficiaries reported experiencing non-availability of shops or sheds (Table 5.3), for their units. Beneficiaries of Almora and Cuttack suffered most on this account. The sample beneficiaries also reported the problem in procuring raw-material in the early stage of their ventures and particularly the beneficiaries of industrial units had suffered from this problem. In district Jalaun higher percentage of beneficiaries had experienced difficulty in procuring raw-material at the initial stage of their ventures. Problems in procuring machines and tools had been faced by some of the beneficiaries (especially in service units and in industrial units) as reported by 4.81 per cent beneficiaries (Table 5.3). Some of the ventures needed skilled workers and these were not easily available at the time of starting the unit. Consequently about 4.31 per cent beneficiaries had faced problem in getting skilled manpower. A considerable proportion of the beneficiaries in district Jalaun also suffered on this account. As we have already discussed that the financial assistance given in the form of loan was not adequate in some of the cases to meet all the expenses of their ventures. Among these beneficiaries, most of them managed the funds without much efforts but 3.52 per cent beneficiaries suffered from shortage of funds to a serious

nature. This problem has shown a higher intensity among the beneficiaries in district Almora.

Pattern of Official Visits from D.I.C.s and Banks to the Ventures.

Being a nodal agency, the District Industries Centres monitor the implementation of the scheme at district level for each sector. The monthly progress report regarding number of cases sponsored, number of project reports prepared, amount of credit recommended and sanctioned by Banks and number of beneficiaries actually engaged in their ventures is sent to Development Commissioner, Small Scale Industries. The utilization of funds made by beneficiaries, progress of their ventures and the problem in the process of their work can be examined by visiting the ventures established by the beneficiaries. Information from beneficiaries about the frequency of the visits made by the officials of D.I.C.s and Banks has revealed that 88.17 per cent beneficiaries reported that officials had visited their ventures. The individual districts have shown a variation regarding the visits ranging from 78.50 per cent in Cuttack to 96.54 per cent in Agra.

Only visiting to the ventures is not sufficient, the frequency and periodicity of their visits has considerable role. Data on periodicity of their visits revealed the pattern regarding the visits of the officials was not uniform in all the sample districts as the variation has been observed in this regard. Taking all the sample districts together, it was observed that the visits made by the officials to the venture had been monthly in the case of only

18.44 per cent beneficiaries. Nearly 12.91 per cent beneficiaries reported that the officers visited their ventures once in a period of three months. More than 59 per cent cases, the visits had been very rare confined to one or two visits in a year (Table 5.4). The percentage of such cases was highest in district Almora.

The analysis of data on the periodicity of the visits indicated that the frequency of their visits to the ventures was confined to a limited number which does not encourage healthy atmosphere in this programme. The main purpose of their visits had been to see the existence of the units rather than to know the progress of the ventures and the problems involved in the process of work.

According to the provision in the scheme, the D.I.C.s have to play a significant role in the implementation of the scheme and to extend their cooperation in the achievement of its objectives. Generally, D.I.C.s are expected to help the beneficiaries from the very beginning at various stages in terms of identification and formulation of project, providing training, skill and other inputs, as well as procuring raw-material and marketing of the products. The analysis of data regarding the level and nature of help rendered by D.I.C.s to the beneficiaries revealed that the role of D.I.C.'s has been limited in most cases. Nearly 11.50 per cent beneficiaries had been helped by D.I.C.s in different stages.It seems that D.I.C.s have been indifferent in rendering their help to the beneficiaries. The variation has been observed from 3.02 per cent in Almora to 17.23 per cent in district Sitapur among the sample districts as far as help rendered by the D.I.C.s is concerned. Identification of projects had been made by D.I.C.S in

the case of only 1.09 per cent beneficiaries. The project of 6.90 per cent beneficiaries had been formulated by D.I.C.'s and some districts, however, did not receive any help from D.I.C.s in this regard. The training and skill was provided by D.I.C.s to only 15 beneficiaries, out of 2017 beneficiaries in the sample. At the stage of marketing about 2.43 per cent beneficiaries had been helped by D.I.C.s (Table 5.5). In individual districts, Cuttack was the only sample district where maximum number of beneficiaries had been helped in their marketing process by D.I.C. and it had extended its help to 7.50 per cent beneficiaries in the marketing of their products.

Level of Satisfaction Among Beneficiaries in the Procedure Adopted in Obtaining Loan and their Suggestions

Information about the opinion of the beneficiaries regarding the procedure adopted in obtaining loan as well as their views and suggestions in this regard was collected. Some beneficiaries were not satisfied with the procedure adopted in the scheme as reported by 10.66 per cent beneficiaries taking all the beneficiaries together. As far as sample districts are concerned, a marginal variation was observed among the districts. However, in district Cuttack, highest proportion (18.25%) of beneficiaries and in district Allahabad lowest proportion (5.00%) of beneficiaries were dissatisfied with the procedure (Table 5.6).

The beneficiaries who were not satisfied with the procedure have suggested some measures. Among their suggestions, simple and clear procedure, selection as well as disbursement of loan

from single agency (department), early decision and prompt service and disbursement of total loan in cash, were the common and main suggestions of the dissatisfied beneficiaries. More than 65 per cent beneficiaries (those who were not satisfied) have given great emphasis on the simple and clear procedure in obtaining loan. During investigation it was found that a large number of beneficiaries did not understand the scheme, particularly the procedure of loan and subsidy was not clearly known to them. As we have already discussed earlier that a considerable number of sample beneficiaries had made several visits to D.I.C.s and Banks in connection of loan. Among sample districts, the sample and clear procedure had been advocated by highest percentage of beneficiaries in district Jalaun as suggested by 95.24 per cent of the beneficiaries who were not satisfied. The proportion of beneficiaries not satisfied with the procedure was higher in Orissa as compared to U.P. The suggestions of the beneficiaries clearly indicates that the scheme of self employment programme needs wide publicity in the public through all the possible and appropriate medias, so that not only the applicants but also the community as a whole should know the scheme.

Some of the individual beneficiaries have given more than one suggestions to improve the process. Selection of beneficiaries as well as disbursement of loan by one department has been one of the measures suggested by more than 25 per cent of the beneficiaries. A large number of beneficiaries suffered from the delay in the selection process as well as at the time of getting loan. As many as 65 beneficiaries, out of 215 dissatisfied

beneficiaries have also suggested an early decision and prompt service in the process of selection and disbursement of loan (Table 5.6). The views of about 18.60 beneficiaries were related to the disbursement of total loan, and they suggested that the total loan should be given in cash rather than in the form of composit loan.

View of Beneficiaries regarding Services Rendered by the Concerning Staff

It will be appropriate to examine the level of satisfaction among the beneficiaries regarding the services rendered by the concerning staff. The beneficiaries were asked about their views towards the services (assistance) rendered by the staff of D.I.C.s and Banks and it was found that the beneficiaries who were not satisfied with the services rendered by them was 351 accounting 17.40 per cent of the total sample beneficiaries. This proportion varied from 29.25 per cent in district Cuttack to 9.50 per cent in district Allahabad (Table 5.7).

There has been some complaints against the concerning staff from some of the sample beneficiaries. The main complaints reported by beneficiaries as the reason for not being satisfied were, demand of money, lack of co-operation, unnecessary delay in the work and harrasment. Nearly 9.77 per cent beneficiaries out of total sample units had made complaint that there had been demand for money from the concerning staff and this was the main complaint as reported by 10.25 per cent of the dissatisfied beneficiaries. Unnecessary delay in their work and harrasment

made by the staff had also been the reasons for the dissatisfaction among the beneficiaries. More than 24 per cent of the dissatisfied beneficiaries expressed their dissatisfaction because of this drawback. In all the sample districts, there has been dissatisfaction among the beneficiaries though their proportion has varied from one district to another.

Do the beneficiaries feel that they are economically better off after the establishment of ventures under the scheme? The responses in sample districts have highlighted the contribution and importance of the ventures in terms of economic development. About 84 per cent of the beneficiaries agreed with the fact that after establishing the ventures, they are economically better off. A similar pattern was observed in the individual districts, though marginal variation has been recorded. However, nearly 11.60 per cent beneficiaries did not feel that they are economically better off despite having started the ventures. During seeking their opinion regarding the improvement of their status in the society after the establishment of the ventures, it was found that in sample beneficiaries, those who thought they also have an improved status in society after having ventures constituted 78.68 per cent.

CHAPTER VI

CONCLUSIONS AND POLICY RECOMMENDATIONS

The evaluation of Self Employment Programme for Educated Unemployed Youth, as has already been stated earlier, was carried out in 5 selected Districts of Uttar Pradesh and two of Orissa under the sponsorship of the Development Commissioner, Small Scale Industries, Govt. of India. It was based on the survey of 2017 beneficiaries who have established their units in different sectors with the financial assistance under the scheme. The main findings, conclusions and recommendations of this study are stated below:

1. The procedure adopted for selection of beneficiaries was, by and large in conformation to the rules laid down in the guidelines of the scheme. However, our investigation reveals that nearly one-fifth of the beneficiaries selected in our original sample were not traceable when our team visited the respective districts for survey work. As a result we had to alter the sample size upwards. This further brought to light the fact that addresses given by the beneficiaries were fake and the money disbursed was either utilized by people who were not eligible for assistance under the scheme or was utilized for purposes other than those stated in their proposals. It is fairly obvious that such malpractices could not have been possible without the connivance of the concerned authorities since the guidelines clearly state

that a proper inspection is to be carried out to ensure that the person is eligible and that the place of activity (whether shop or shed) is the same as given in the application. Such practices should be ended as soon as possible and for this the Government should take necessary steps to ensure that proper utilization is being made of the already scarce Government resources. Otherwise the very objective of the scheme shall be defeated. Moreover, nearly 8.5 per cent of the sample actually surveyed was of beneficiaries whose household income at the time of getting financial assistance was above the prescribed maximum of Rs.15,000 per annum. This again is a matter which calls for greater care for those persons who have a justified claim are being neglected whereas the relatively better off are those who are the actual beneficiaries. Once again the basic purpose of the scheme is being sidetracked. In the case of Orissa the final list of beneficiaries is being screened by a district level committee which consists of all the members of Parliament from the District. There is, therefore, sufficient scope for political pressures being exercised in the process of selection and, therefore, in the ultimate analysis, it may turn out that selection has not been totally fair. It is, therefore, of utmost importance that the basic rules laid down for selection should be adhered to in all strictness so as to ensure a fair selection of only eligible persons for financial assistance under the Self Employment Scheme.

2. All the beneficiaries were found to be in the age group of 18-35 years as prescribed under the scheme. The proportion of sample beneficiaries was 93 per cent who were in the age group of 21-32 years. However the beneficiaries having 33-35 years of age constituted about 5.75 per cent in the sample. The educational level of beneficiaries indicated that about 26 per cent of them were educated upto Matric Standard. The graduate beneficiaries constituted 29.15 per cent in the sample and about 15 per cent beneficiaries were having education more than graduation. None of the beneficiaries was found to have education lower than Matric Standard.

3. Data on work status of the beneficiaries before getting loan indicates that more than 81 per cent of the beneficiaries were unemployed before availing the loan. It is found that about 15 per cent of the beneficiaries were either employed or students.

Newspapers and advertisements had been the main source of first hand information about the scheme to the beneficiaries as reported by more than 64 per cent beneficiaries. The next important sources were Government Officials and friends/relatives claiming their contribution 16.43 per cent and 15.04 per cent respectively.

4. The amount of loan distributed to any of the beneficiaries did not exceed Rs.25,000. Most of the beneficiaries did not receive the same amount of loan which they had applied for. The request for loan was not more than Rs.25,000 in any case.A good

number of selected beneficiaries had not been given the amount of loan by the Banks which was initially sanctioned by the 'Task Force'. It seems that the Banks have followed their own norms rather than the requirement of the units or the recommendations of the Task Force. It is very surprising that the amount sanctioned by 'Task Force' (in which the representatives of the Banks are also members) could not be disbursed to the beneficiaries. In such cases, the beneficiaries were not able to establish the ventures properly in accordance with the projects prepared by them and they faced financial hardships in the early stage of their establishment. Maximum efforts should be made to disburse the loan according to the project approved and amount sanctioned by the 'Task Force'. It is found that only about 81.00 per cent of the requested amount of loan was disbursed to the beneficiaries. This figure varied from 59.41 per cent to 93.94 per cent in the sample districts. Similarly, a considerable variation has been recorded in the States. In Uttar Pradesh, the disbursement of loan was 78.73 per cent of the requested amount, whereas in Orissa it was 86.86 per cent. On an average, the per capita loan disbursement was Rs.19,537 against the per capita requested amount of Rs.24,045. A fairly higher percentage of beneficiaries had been given smaller amount of loan in U.P. as compared to Orissa.

5. Due to time taken in disbursing the loan, the cost structure of the individual ventures of the beneficiaries was not only disturbed but it also adversely affected the time schedules of the production process itself. Maximum number of beneficiaries had taken more than three months in starting the ventures. Non-

availability of shops or sheds, machines and power connections had been the main reasons for the delay in starting ventures. Moreover, the units of industrial sector took more time in starting the units as compared to units of other sectors.

6. As far as factors in determining the choice of a particular venture adopted by the beneficiary is concerned, it has been recorded that about 40 per cent of the beneficiaries took their decision independently. Demand for the ventures in the areas as felt by beneficiaries, had been the major factor in determining the venture and contributed 32.27 per cent share in it. It has been observed that the beneficiaries had made several visits (normally 10-20 visits) to D.I.C.'s and Banks in connection of loan which resulted in undue wastage of time on the one hand heavy expenditure incurred in travelling on the other. Some of the beneficiaries had spent a considerable amount of money on concerning officials to expedite the work. At the same time, a number of beneficiaries reported that they had to submit the project proposal and other essential documents two or three times. The high frequency of visits made by beneficiaries shows uncertainty of getting loan and unclear process of the loan disbursement. All this requires an urgent need to simplify the procedure of obtaining loan and a provision of quick and efficient decision taking at the D.I.C. level.

7. The level of investment in sample units varied from sector to sector and unit to unit depending on the nature and size of the units. The amount of fixed capital per unit in industry sector was highest at Rs.16,216 followed by service units Rs.11,260 and

the business units Rs.7,759. However, sample districts had shown a variation in this regard. The annual running expenditure also was not similar in all the sectors. Per unit annual running expenditure was found to be highest at Rs.12,405 in business sector followed by Rs.8,623 in industrial sector and Rs.6,443 in service sector. The level of investment in the sample units has been guided by nature and size of the ventures and again varied from one district to another. However, more than 53 per cent of the total units had fixed cost above Rs.10,000but the percentage was higher in the case of industrial units.

The levell of investment in the sample units indicated that the loan disbursed to the beneficiaries was not sufficient to cover their costs in many cases. However, about 60 per cent of the total entrepreneurs reported that the amount of loan disbursed to them was adequate for their ventures. The amount of loan disbursed to them was not adequate in the case of 649 sample units and they had invested an additional amount on their units to make them economically viable. The sector-wise data on additional investment has shown a different picture and it was 37.04 per cent in industrial units, 30.42 per cent in service units and 29.58 per cent in business units. District-wise variation has also been found in this context. On an average, per unit additional investment worked out to be Rs.6,858 in industrial sector, Rs.4,646 in business sector and Rs.2,892 in service sector. Taking all the sample units together, this figure accounted Rs.5,291 per unit.

The significant amount of expenditure on investment in addition to loan disbursement clearly indicates that the amount of loan was not sufficient in certain cases and the amount of loan should be increased in case of units whose need is genuine and does not exceed Rs.25,000. The source of additional amount of investment was met from family income in the case of around 80 per cent beneficiaries while the remaining borrowed from either friends or relatives or by selling their household assets.

8. So far as the beneficiaries in the industrial sector are concerned, they were successful in carrying out production according their capacities. The production level of the industrial units in our sample shown a wide range of variation among districts depending upon funds, availability of raw-material, demand of product, marketing facilities and power availability. The entrepreneurs were found to be engaged in different nature of activities. Though some of the activities were similar kind of nature, but considerable number of beneficiaries were engaged in area-specific activities. Activities like leather, bangle and marble works in district Agra, manufacturing of woollen and confectionary items in district Almora, printing, manufacturing of furniture and ornaments in district Cuttack, oil extraction and diary in district Sitapur have been adopted by large number of industrial units in the sample. The products of some of the units had seasonal demand. The activities like ice-making, saw mill, oil mill and knitting work were confined to a limited months in the year. The income from such seasonal activities was not regular.

Taking all the sample units of industrial sector together, it was observed that the value of per unit annual production was Rs.34,548 in the reference year as compared to Rs.26,711 in the starting year of the ventures, showing a growth rate of 29.33 per cent in one or two years. The value of per unit production as well as its growth rate had shown a variation not only among different units but also among districts.

9. Data on household income of the beneficiaries and the pattern of its changes were collected for three points of time, i.e. before the establishment of the venture, first year of starting the venture, and reference year. Before establishment of the units under the scheme, the per household annual income of the beneficiaries was Rs.9,136 from all the sources. It varied from Rs.10,719 in district Cuttack to Rs.6,339 in district Sitapur. The household income had increased by 62.23 per cent and reached Rs.16,833 during the first year of the establishment of the ventures. Further, the household income of the beneficiaries had increased by 13,58 per cent in the reference year (1985-86) over the first year of starting the venture. When the household income during reference year is compared with household income before the establishment of the venture, it was found that income had increased by 84.25 per cent during the reference year.

The pattern of growth rate in the income of the beneficiaries household had been different in each sample district as well as in each sector. The contribution of income generated

from the ventures established under the scheme has been significantly very large in the total household income. Taking all the household of the sample beneficiaries together, the income generated from the ventures contributed as high as 45.55 per cent to the total household income. The sample districts exhibited quite a different picture in this regard and it was found that the proportion was as high as 48.63 per cent in district Allahabad and as low as 38.54 per cent in district Sitapur. The individual states had not shown any significant variation in this regard. The comparative analysis of the household income before the venture and after the venture indicates that the ventures established with the help of financial assistance under the scheme, have played a significant role in increasing the level of household income and the earnings from the ventures had been the major factor for the increase in the household income to a considerable level during the subsequent years after the establishment of the ventures.

10. The performance of units established under the scheme has been examined in terms of level of net earnings and its growth over the years and it was found that the earning from the venture depends upon the level of investment, size of unit and its nature, location of the unit, demand of items, marketing and other infrastructural facilities. Data pertaining to the income from the ventures indicated that there has been differentiations in the level of earnings from the units among districts and among the sectors. Taking all the sample units together, it is found that in the starting year of the ventures, the per unit annual net

income was Rs.6,186 and it has gone upto Rs.7,666 during the reference year, showing an increase of about 21 per cent in the earnings over one or two years. The per unit income was highest Rs.7,307 in district Allahabad during the first year of the venture. However, per unit earning from industrial unit was highest Rs.8,158. In the same time it was Rs.7,516 in business unit and Rs.6,973 in the service unit. The variation in the earnings from the units was observed due to different level of performance of the ventures as a result of different size and nature of the units. In the starting year some of units could not do better in accordance with their capacities as a result, the level of earning stated be comparatively low. Some of the units, particularly the units of industrial sector require a minimum period of gestation to start the earnings.

When income (net) levels from the units established in industrial districts during starting year are compared with the income levels in reference year, it is found that highest growth rate had been observed in business units in district Agra followed by service units in the same district. At the same time the units of service sector in district Allahabad had shown a substantially lower level of earnings during the reference year as compared to the first year of the establishment. Though, on an average, the units in business sector had shown a higher growth rate of income, but at the same time per unit income from industrial units was found to be highest. In Orissa, per unit income from the industrial sector was highest during both

the years and the growth in income levels in all the sectors had shown a similar pattern in Orissa. Though per unit income was higher in Orissa during reference year, but the growth rate in earnings has been faster in Uttar Pradesh as compared to Orissa in reference year. Moreover it was stated that a considerable number of units in industrial sector could not sell the major portion of their product due to one reason or other. The marketing part of the industrial units requires support from the government either directly or indirectly.

It was found that more than one-fourth of the units were earning below Rs.4,000 each per year from the ventures while the annual income of 6.69 per cent units had above Rs.12,000 each. About 22 per cent unit accounted the annual income from the ventures between Rs.8,000 - 12,000 each. During the reference year, a number of units jumped from lower to higher income groups. The individual districts gave a varying picture in this regard. The income levels of units were found concentrated in lower income groups in district Almora during the starting year of the ventures but on the other hand larger number of units had shifted from lower level to higher level of income in the same district as compared to other districts. During the reference year, district Agra ranked first in terms of percentage of units which had an annual income above Rs.12,000 each.

Some of the beneficiaries reported that the income from the ventures established under the scheme was the only source of livelihood of their families. As many as 471 beneficiaries

in starting year and 426 beneficiaries in the reference year, accounting 23.35 per cent and 21.12 per cent of total sample beneficiaries reported that the ventures were the only source of their household income. Out of seven sample districts, only two districts, namely Allahabad in U.P. and Ganjam in Orissa had reported a decline in the number of such cases during the reference year. Before starting ventures, either the beneficiaries were earning or the other member of their families were engaged in low income activities. As soon as the income started from the ventures, they left the occupations.

Though over-all, 23.92 per cent of increase in the earnings from the units had been recorded by the beneficiaries but as many as 271 beneficiaries (13.43%) out of 2017 sample beneficiaries, reported that the net income from their units has declined in reference year over the starting year. The percentage of beneficiaries showing a declining trend in income (net) from the units varied from 8.00 per cent in district Allahabad to 24.50 per cent in district Jalaun. Highest proportion (16.29%) of units in industrial sector had been recorded a decline in their income during the reference year among all the sectors. A marginal variation has been observed in the proportion of units showing decline in the net income between Uttar Pradesh and Orissa. However, the industrial sector had shown a significant variation in the declining proportions and it was about 19.75 per cent in Uttar Pradesh and 7.73 per cent in Orissa. In both the states, the lower percentage of units in service sector reported a decline in their earnings during the

reference year. Lack of proper demand for their products, great competition and shortage of funds to meet their running expenditure have been the main causes for the decline in the income levels as reported by the sample units.

11. Generation of employment avenues is one of the main objectives behind providing financial assistance to the educated unemployed youth. The findings of the study indicate that not only the beneficiaries have got gainful employment in the units established by them, but other family members as well as outsiders have also been benefited by getting employment in these ventures. The study recorded that in the total of 2017 sample units, 2074 family members (including beneficiaries) and 660 hired workers were employed on full time basis and employment per unit worked out to be 1.36 persons per unit in the starting year. Besides 65 persons from beneficiaries families and 40 persons from outside were getting partial employment. District-wise figures of units had shown variation in providing employment opportunities.

During the reference year (1985-86) employment (full time) opportunities in the units have increased by 24.80 per cent over the starting year by employing 3412 persons (2155 from families including beneficiaries and 1257 persons from outside) in these units on a full time basis. Regarding the employment levels in the units established by the beneficiaries, it was found that labour absorption was substantially higher in the industrial units as compared to the units of other sector. Employment generating capacity has been found to be highest in the units of industrial sector. Per unit full time employment was genera-

ted 1.73 persons in industrial units as against 1.18 persons in service sector and 1.42 persons in business sector during the starting year. Similarly, the growth rate of employment levels in industrial sector has been higher during the reference year over the starting year. The growth rate in employment generation worked out to be 40.33 per cent in industrial units, 22.61 per cent in service units and 11.15 per cent in business units. Industrial units in Uttar Pradesh have also shown a better performance in creating employment opportunities as compared to Orissa. The employment generation might not be very big in terms of average employment per unit but then we must bear in mind the fact that these ventures are being carried out on a relatively small scale and their basic purpose is to provide gainful employment to the beneficiary and to that extent the scheme has been a success. Moreover, it has also enabled others of the area to find full time employment within these ventures.

12. As far as wage levels of the workers (hired) employed in the units established by the beneficiaries are concerned, it was found that there has been differentials in their wage rates. During the survey, wage levels of the hired workers has been collected for one year (in reference period). The per worker annual wages accounted 4796 during the reference year. The district-wise analysis of per worker wages indicated that it was highest to Rs.6,924 in district Agra and lowest to Rs.2,877 in district Ganjam. Among sample districts of U.P., the wage rates of hired workers were lowest in district Jalaun (Rs.3,251).

It was found that the wage level of the workers engaged in the units of all sectors were considerably lower in Orissa. The wages of workers in U.P. were substantially higher as compared to Orissa by around 69.97 per cent. Generally the wage levels of the workers were found to be considerably lower in the backward districts, such as, Almora, Jalaun and Ganjam. However, the wage rates among the workers employed in the sample units in district Cuttack also followed closely to these districts. The per worker wages of hired workers indicated that it was highest in industrial sector (Rs.5,382) among all the sectors. The per worker wage rates were Rs.3,805 in service sector and Rs.3,109 in business sector. Those types of activities which required a much more trained and skilled workers were being paid a higher wages. Taking all sample districts together, the percentage of workers who had annual wages above Rs.6,000 each was 17.74. The workers having annual wages less than Rs.1,000 each constituted about 15 per cent of the total hired workers.

13. It is rather discouraging to note that the proper knowledge of subsidy and its procedure was not known to all the sample beneficiaries. Even some of the beneficiaries reported that they had no knowledge of subsidy in the scheme. About 8 per cent out of total beneficiaries in the sample, were not aware about any kind of subsidy in the scheme. District-wise figures indicated that it varied from 14.57 per cent in district Almora to 3.36 per cent in district Sitapur. The beneficiaries who were not aware about the subsidy had a higher rate in U.P. (9.24%) as compared to Orissa (4.98%).

The procedure, under which the subsidy is given, was not liked by 15 per cent of the sample beneficiaries. They wanted to have this amount in cash rather than the same being deposited in the Banks. Variation among the sample districts regarding not liking the procedure has been found from 32.00 per cent in district Cuttack and to 3.75 per cent in district Allahabad. The proportion of beneficiaries not liking the procedure was substantially higher in U.P. as compared to Orissa.

14. The repayments of loan are to be made by the beneficiaries in several instalments range over a period of 3-7 years, depending upon the nature and profitability of the ventures. The repayment of loan worked out to be repaid by the beneficiaries in 42 to 68 instalments in different sample districts.

There is a provision, as stated in the scheme, of an initial moratorium ranging from 6 months to 18 months for starting the payment of instalments of the loan which are to be given by the entrepreneurs, but most of the cases, as reported by the beneficiaries, the instalments of loan had started immediately after the disbursement of loan and it seems the Banks had not followed the rules in this regard.

This type of cases suggests the implementing agency or funding agency to assign the work of supervision to an authorised body who will look after the related work of the concerning Banks.

Nearly 16 per cent of the sample beneficiaries had not been abled to repay the due amount of loan. Among the sample districts it varied from 32.00 per cent in district Cuttack to 2.00 per cent in district Allahabad. The individual sectors, however, did not record any trend. In the same time, relatively higher percentage of beneficiaries had not repaid the due amount of loan in Orissa as compared to U.P.

Several reasons have been reported by the beneficiaries for not repaying the due amount of loan. As many as 53 per cent of them reported that though there had been earnings from the ventures, but they had utilized the income towards the purchases of day to day, domestic consumption items. Such cases was reported by most of the beneficiaries who had the ventures as the only source of their household income. Nearly 10 per cent of the beneficiaries could not repay the due amount of loan as the earnings from their units were lower. Among those beneficiaries who were not able to repay the due amount of loan about 32.19 per cent had informed that they had re-invested the earnings in their ventures.

It is observed that earnings from the units were not the only source of fund for repaying the loan. About 92.71 per cent of the beneficiaries, however, were repaying the instalments from the income of their units. The other sources, such as family income, borrowing from relatives/friends and selling household assets, were also reported by the beneficiaries. The

district-wise figures of beneficiaries, who had reported the earnings from their ventures as the source of funds have shown a marginal variation.

15. At the time of starting the ventures, certain problems were faced by some beneficiaries which probably led delay to start their ventures. Non-availability of shops and sheds for units has been one of the most important problems and nearly 8 per cent beneficiaries have faced the problem at the time of starting their ventures. In procuring raw-material, machines and tools about 10.40 per cent beneficiaries experienced difficulty in initial stage. Nearly 4.81 per cent beneficiaries felt very hard to get skilled workers for their units. The entrepreneurs of industrial units had suffered in this account. The financial assistance under this scheme was not adequate in some cases and there has been problem for additional funds for them. Non-availability of power connections was also a problem in front of some beneficiaries in the starting time of their ventures.

The staff of concerning departments which are directly involved in the scheme, are expected to visit to these units from time to time. The data revealed that though 88.17 per cent beneficiaries, out of total sample, reported the visits of the officials but the frequency of their visits has not been encouraging. The periodicity as well as the purpose of their visits was not upto the desired level. It was observed that the monthly visits have been made by officials to the ventures in only 18.44 cases. Larger number of beneficiaries reported that the visits of these officials had been confined to limited

frequencies. More than 59 per cent of the beneficiaries reported that the staff of the concerning offices had visited one or two times in a year. Time to time visits to the ventures would certainly bring confidence among the beneficiaries and it would be helpful in the process of their work. Provision of regular visits to the ventures by the concerning staff is an essential need for better results in the scheme. Though the officials have made their visits but the purpose of their visits has not been clearly understood by the beneficiaries. In rare cases, they have asked anything related to their problems in the ventures.

16. District Industries Centres have to play an important role in the implementation and monitoring of the scheme in various stages in the process in terms of identification and formulation of projects, providing training, skill and other necessary inputs, procurement of raw-material and marketing. In this regard, the study reveals that the role of D.I.C. has been limited in a number of cases and help rendered by D.I.C. was confined to only 11.50 per cent beneficiaries. Identification of projects had been made by D.I.C.s in the case of only 1.09 per cent beneficiaries and the proportion of beneficiaries who have been helped by D.I.C.s in the formulation of their projects accounted 6.90 per cent.

17. The procedure adopted in obtaining loan was not liked by some of the beneficiaries. The proportion of beneficiaries who were not satisfied with the existing procedure has been 11.66 per cent in the total beneficiaries. In actual practice, only few beneficiaries were fully aware about the procedure of

obtaining loan as well as the provision of subsidy in the scheme. Because of poor knowledge about the loaning procedure, it has been observed that a substantial number of beneficiaries suffered in different stages of the process as well as there has been delay in the work. The suggestions given by the beneficiaries for the improvement in the process include, simple and clear procedure, selection as well as disbursement of loan by single agency, early decision and prompt service and disbursement of total loan in cash.

It was found that there has also been dissatisfaction among the beneficiaries regarding the services rendered by the officials of D.I.C.s and Banks. About 17.40 per cent beneficiaries were not satisfied with the service rendered by these officials. Various reasons have been advocated by the beneficiaries for not being satisfied with the services rendered by them. Demand for money by the staff, unnecessary delay in the work, harrasment, and lack of co-operation were the common and main reasons for their dissatisfaction.

18. As we have seen that the contribution of ventures established under the scheme has been significant and these ventures have played an important role in the increase of household income and consequently the large number of beneficiaries reported that their economic status has improved. Slightly over four-fifth of the beneficiaries felt that they are financially better-off after the establishment of the ventures. Similarly, 78.68 per cent beneficiaries also reported that

their involvement in these ventures has raised their status in the society also.

19. Although the units could not provide sufficient information we have, all the same tried to analyse the extent to which backward and forward linkages have been generated as a result of the establishment of the new units in the different sectors. Backward linkages can be seen mainly in terms of purchase from centres outside the place of activity whether they are with respect to raw-materials or fixed assets whereas forward linkages may be with respect of sales of the finished products in the outside market.

As far as backward linkages are concerned, there is enough evidence of it as seen in the purchase of both materials and plant and machinery in almost all the districts, particularly the backward ones where the beneficiaries have had to go to the nearest big market centre for their purchases.

As far as forward linkages are concerned, the service and business units do not have much scope as their activities are centred mainly at the place of operation. However, the industrial units could develop some forward linkages although at present they do not have any. The reason are quite obvious. The scale of operation is at present on the lower side and the produce is absorbed within the district itself. Even in the case of units which are facing the problem related to the sale of their products. They are unable to go out for their sale in the absence of proper knowledge, inadequate marketing and

other infrastructure facilities. If, however, the profits of industry could be reinvested more efficiently within the units, the scale of operation could be increased over a period of time. Simultaneously, the authorities should take care to ensure that the units get timely supply of raw-materials at assumed prices, so that the production process is smooth. And at the same time marketing network to be strengthened such that the entrepreneurs can look for avenues outside their district for the sale of the finished products. For this initiative on the part of the entrepreneurs themselves is equally, if not more, important as the role that we visualise for the government machinery. A properly developed system of backward and forward linkages can not be brought into operation unless and until the entrepreneurs themselves can be made to appreciate their significance in the overall development of their areas as well the surrounding ones.

To sum up, therefore, it is observed that the self employment scheme has helped needy persons in acquiring loans with which they are able to purchase assets that help in providing a sustained source of living and also offers full time employment. This has not only helped the individuals alone but has had a favourable impact over the economic scene of the area as such. What is important is that besides providing financial assistance, the government machinery should also take up suitable follow up measures in order to ensure that ventures once started becomes self sustaining so that it ensures a regular income to the people concerned. The authorities must therefore see to it

that disbursement of loans is timely and adequate, and the bottlenecks related to purchase of land or shed, machines and implements, uninterrupted power supply and marketing networks are overcome then only will the ventures be able to operate smoothly and efficiently.

Table-1.1

Family size and Distribution of beneficiaries by Age-group.

District	Sample size	Total population	Average Family size	Age group of beneficiaries(years) Upto 20	21-26	27-32	33-35
Agra	376	2314	6.15	9	206	142	19
Almora	199	1095	5.50	8	79	95	17
Allahabad	400	2407	6.02	13	232	128	27
Jalaun	200	1217	6.08	5	125	51	19
Sitapur	220	1371	6.23	5	74	133	8
Cuttack	400	2506	6.26	-	164	218	18
Ganjam	222	1117	5.03	3	119	92	8
All districts	2017	12027	5.96	43	999	859	116

Table - 1.2

Educational level of the beneficiaries.

District	Educational Standard of the beneficiaries					
	High School	Intermediate or Higher Secondary	Graduate	Post-Graduate	above Post-Graduate	Total
Agra	71	101	136	68	-	376
Almora	36	62	51	49	1	199
Allahabad	28	125	206	41	-	400
Jalaun	34	47	90	29	-	200
Sitapur	33	54	20	103	10	220
Cuttack	180	157	60	3	-	400
Ganjam	160	33	25	4	-	222
All districts	542	579	588	297	11	2017

Table - 1.3

Work Status of the Beneficiaries before getting loan

(Numbers)

District	Work Status of the Beneficiaries before getting loan				
	Working	Attending classes	Unemployed	Supporting household work	Total
Agra	27	19	322	8	376
Almora	29	29	132	9	199
Allahabad	19	6	374	1	400
Jalaun	24	14	159	3	200
Sitapur	22	19	173	6	220
Cuttack	31	8	332	29	400
Ganjam	62	11	147	2	222
All districts	214	106	1639	58	2017

Table - 1.4

Source of First hand Information about the scheme.

District	News-papers and Adver-tisement	Radio/ T.V.	Govt. offi-cials	Friends/ Relatives	Volunt-ary organi-sation	Any other	Total
Agra	306	11	8	51	-	-	376
Almora	61	13	41	73	1	10	199
Allahabad	345	11	12	32	-	-	400
Jalaun	154	6	13	24	2	1	200
Sitapur	129	23	27	41	-	-	220
Cuttack	271	6	46	71	1	5	400
Ganjam	25	2	184	11	-	-	222
All districts	1291	72	331	303	4	16	2017

Table - 2.1

Sectorwise Per capita loan Desired and Disbursed to Beneficiaries

(Amount in Rs.)

District/Sector	Sample size	Per capita Loan Requested(Rs)	Per capita Loan Disbursed(Rs)	Disbursement as a Percentage of the requested amount
1	2	3	4	5
Agra:-				
a-Service	42	24619	16269	66.08
b-Business	137	24781	17821	71.91
c-Industry	197	21010	19938	94.90
d-All Sectors	376	22787	18757	82.31
Almora:-				
a-Service	19	21842	14552	66.62
b-Business	140	22832	17964	78.68
c-Industry	40	20900	14250	68.18
d-All Sectors	199	23349	16891	72.34
Allahabad:-				
a-Service	56	25000	19312	77.25
b-Business	211	25000	21025	84.10
c-Industry	133	25000	22817	91.27
d-All Sectors	400	25000	21380	85.52
Jalaun:-				
a-Service	10	25000	21300	85.20
b-Business	133	24586	19421	78.99
c-Industry	57	24736	19716	79.71
d-All Sectors	200	24650	19599	79.51

Contd.....

Table 2.1 continued.

1	2	3	4	5
<u>Sitapur</u>:-				
a-Service	15	25000	24133	96.53
b-Business	151	24569	14603	59.44
c-Industry	54	23870	14368	60.19
d-All Sectors	220	24427	14513	59.41
<u>Cuttack</u>:-				
a-Service	70	24386	17796	72.98
b-Business	167	24644	20220	82.05
c-Industry	163	24877	21890	87.99
d-All Sectors	400	24694	20481	89.94
<u>Ganjam</u>:-				
a-Service	28	25000	20264	81.06
b-Business	163	24481	24342	99.43
c-Industry	31	25000	19318	77.27
d-All Sectors	222	24618	23126	93.94
<u>All Districts</u>:-				
a-Service	240	24504	17838	72.80
b-Business	1102	24431	19533	79.95
c-Industry	675	23450	20147	85.91
d-All Sectors	2017	24111	19537	81.03

Table - 2.2

Average Fixed Capital Expenditure and Average Running Expenditure Incurred by the Sample Units

Districts/Sectors	Number of Sample units	Average Fixed Capital Expenditure per unit (Rs.)	Average Annual Running Expenditure per unit (Rs.)
1	2	3	4
1-Agra:-			
a-Service	42	12996	6517
b-Business	137	9427	10947
c-Industry	197	17819	5896
d-All Sectors	376	14219	7806
2-Almora:-			
a-Service	19	8057	6980
b-Business	140	5211	11585
c-Industry	40	10153	7124
d-All Sectors	199	6476	10248
3-Allahabad:-			
a-Service	56	11170	8165
b-Business	211	9191	13248
c-Industry	133	17221	10898
d-All Sectors	400	12978	11755
4-Jalaun:-			
a-Service	10	13200	9160
b-Business	133	7817	14269
c-Industry	57	15607	8798
d-All Sectors	200	10306	12446

Contd.....

Table 2.2 continued.

1	2	3	4
5-<u>Sitapur</u>:-			
a-Service	15	10153	4814
b-Business	151	9531	9594
c-Industry	54	14605	6997
d-All Sectors	220	10819	8630
6-<u>Cuttack</u>:-			
a-Service	70	11567	5334
b-Business	167	8264	15223
c-Industry	163	16467	10908
d-All Sectors	400	12185	11734
7-<u>Ganjam</u>:-			
a-Service	28	10143	5196
b-Business	163	4484	12810
c-Industry	31	12208	8662
d-All Sectors	222	6276	11270
8-<u>All Districts</u>:-			
a-Service	240	11260	6443
b-Business	1102	7759	12608
c-Industry	675	16216	8623
d-All Sectors	2017	11022	10541

Table - 2.3

Sectorwise Frequency Distribution of Units by Size of Fixed Cost, during reference year

	Sample size	Per Unit Fixed Cost (Amount in Rs.)			
		Below 3000	3001-5000	5001-10,000	Above 10,000
Uttar Pradesh:-					
a-Service	142	15	14	26	87
b-Business	772	233	141	118	280
c-Industry	481	17	14	68	382
d-All Sectors	1395	265	169	212	749
Orissa:-					
a-Service	98	5	3	30	60
b-Business	330	116	68	33	113
c-Industry	194	7	10	28	149
d-All Sectors	622	128	81	91	322
Both States:-					
a-Service	240	20	17	56	147
b-Business	1102	349	209	151	393
c-Industry	675	24	24	96	531
d-All Sector	2017	393	250	303	1071

Table - 2.4

Sectorwise Frequency Distribution of Units by Size of Working Capital during reference year.

States/Sectors	Sample size	Per Unit Running Expenditure (Rs.)			
		Below 3000	3001-5000	5001-10,000	Above 10,000
Uttar Pradesh:-					
a-Service	142	37	25	36	44
b-Business	772	181	202	271	118
c-Industry	481	11	24	79	367
d-All Sectors	1395	229	251	386	529
Orissa:-					
a-Service	98	5	21	55	17
b-Business	330	18	81	150	81
c-Industry	194	4	10	74	106
d-All Sectors	622	27	112	279	204
Both States:-					
a-Service	240	42	46	91	61
b-Business	1102	199	283	421	199
c-Industry	675	15	34	153	473
d-All Sectors	2017	256	463	665	733

Table - 2.5

Additional Investment made by Sample Units

District/ Sector	Sample size	No.of beneficiaries who invested Additional Amount	Per Unit Additional amount of Investment(Rs)	Source of Additional Investment			
				Own Family	Relative and friends	Money lender	Paying Selling assets
Agra	376	139	6353	123	7	9	-
Almora	199	95	4293	70	10	12	3
Allahabad	400	62	6201	54	4	1	3
Jalaun	200	56	5499	54	1	-	1
Sitapur	220	74	3088	69	2	3	-
Cuttack	400	154	5935	86	28	28	12
Ganjam	222	69	4623	59	2	4	4
All Districts	2017	649	5291	515	54	57	23

Tabele - 2.6

Sectorwise Additional Amount of Per Unit Investment made by Sample Units in different States.

State/Sector	Sample size	Number of Beneficiaries who invested Additional Amount	Per Unit Additional Amount of Investment (Rs.)
1. Uttar Pradesh			
a-Service	142	35	3897
b-Business	772	208	4499
c-Industry	481	183	6167
d-All Sectors	1395	426	5166
2. Orissa			
a-Service	98	38	1967
b-Business	330	118	4850
c-Industry	194	67	8744
d-All Sectors	622	223	5529
3. Both States			
a-Service	240	73	2892
b-Business	1102	326	4646
c-Industry	675	250	6858
d-All Sectors	2017	649	5291

Table - 2.7

Repayment of loan and its instalments by individual districts.

District	Total sample size	Per beneficiary number of instalments	No. of beneficiaries who have not been abled to repay the due amount of loan.	Percentage of beneficiaries who have not been abled to repay the due amount of loan
Agra	376	68	60	15.96
Almora	199	55	17	8.54
Allahabad	400	64	8	2.00
Jalaun	200	62	26	13.00
Sitapur	220	50	10	4.55
Cuttack	400	57	128	32.00
Ganjam	222	42	71	31.98
All Districts	2017	59	320	15.87

Table - 2.8

Repayment of loan and its instalments according to sectors in U.P. and Orissa.

State/ Sector	Total number of sample size	Per beneficiary number of instalments	No. of beneficiaries who have not been abled to repay the due amount of loan	Percentage of beneficiaries who have not been abled to repay the due amount of loan
Uttar Pradesh				
a-Service	142	57	10	7.04
b-Business	772	64	62	8.03
c-Industry	481	59	49	10.19
d-All Sectors	1395	62	121	8.67
Orissa				
a-Service	98	52	37	37.76
b-Business	330	51	116	35.15
c-Industry	194	53	46	23.71
d-All Sectors	622	52	199	31.99
Both States				
a-Service	240	55	47	19.58
b-Business	1102	60	178	16.15
c-Industry	675	57	95	14.07
d-All Sectors	2017	59	320	15.87

Table - 2.9

Reasons for the non-repayment of loans on a regular basis.

Districts	Sample size	No. of beneficiaries who have not been able to repay the due amount	Income from the venture was utilised for domestic purposes	Venture was in the loss	The income generated from the venture has been re-invested in the venture	Did not feel necessary to repay
Agra	376	60	46	2	6	6
Almora	199	17	-	1	11	5
Allahabad	400	8	4	2	2	-
Jalaun	200	26	16	4	5	1
Sitapur	220	10	4	2	4	-
Cuttack	400	128	56	19	51	2
Ganjam	222	71	45	2	24	-
All Districts	2017	320	171	32	103	14

Note:- Although all beneficiaries have been repaying their loans, those who have been listed as defaulters are the ones who have been unable to repay instalments on a regular basis.

Table - 2.10

Pattern of loan repayment among beneficiaries

District	Source of funds for the repayment of loan						
	Income from the venture	Family Income	Borrowed from relatives or	Borrowed from institutions	Dis-investment (selling household goods)	Others	Total
Agra	316	47	6	1	6	-	376
Almora	175	21	-	-	1	2	199
Allahabad	393	4	3	-	-	-	400
Jalaun	193	6	1	-	-	-	200
Sitapur	210	5	5	-	-	-	220
Cuttack	367	27	-	1	1	4	400
Ganjam	216	3	3	-	-	-	222
All Districts	1870	113	18	2	8	6	2017

Table - 3.1

Sectorwise Per Unit Annual(Net) Income from the Ventures.

District/Sector	No. of Sample Units	Ist year (Starting year) Per unit gross annual income from the ventures	Ist year (Starting year) Per unit annual net profit (Earnings)	Reference year (1985-86) Per unit gross annual income from the ventures	Reference year (1985-86) Per unit annual net profit (Earnings)	Percentages changes in net income from the ventures.
1	2	3	4	5	6	7
1-Agra:-						
a-Service	42	14262	6004	24570	9242	53.93
b-Business	137	22087	4253	41852	7611	78.96
c-Industry	197	60210	7675	58481	7585	(-) 1.17
d-All Sectors	376	41186	5629	50207	7780	38.21
2-Almora:-						
a-Service	19	13018	6163	16622	6853	11.20
b-Business	140	33303	6219	47762	8121	30.58
c-Industry	40	18891	6377	29095	8881	39.27
d-All Sectors	199	28469	6245	41036	8153	30.55
3-Allahabad:-						
a-Service	56	34654	8688	13997	3064	(-) 64.73
b-Business	211	30759	6734	44281	9389	39.43
c-Industry	133	32871	7621	39465	9022	18.38
d-All Sectors	400	32007	7303	39437	8381	14.76

Contd.....

Table-3.1 continued.

1	2	3	4	5	6	7
4-Jalaun:-						
a-Service	10	29368	9380	34980	10460	11.51
b-Business	133	40828	4691	53170	5963	27.12
c-Industry	57	30005	6919	35660	7521	8.70
d-All Sectors	200	37170	5560	47262	6632	19.28
5-Sitapur:-						
a-Service	15	13174	5887	22244	8630	46.59
b-Business	151	12777	4601	29594	6146	33.57
c-Industry	54	16542	4464	25139	6052	35.57
d-All Sectors	220	13728	4655	27998	6292	35.16
6-Cuttack:-						
a-Service	70	15235	6483	20965	7886	21.64
b-Business	167	44417	5425	62494	7304	34.64
c-Industry	163	30721	7325	35669	8660	18.23
d-All Sectors	400	33729	6384	44291	7958	24.66
7-Ganjam:-						
a-Service	28	12179	6454	15504	7057	9.34
b-Business	163	37307	6689	42569	7244	8.30
c-Industry	31	29697	7639	38817	9355	22.46
d-All Sectors	222	33075	6792	38633	7515	10.64
8-All Districts:-						
a-Service	240	19639	6968	19653	6973	0.07
b-Business	1102	34363	5616	45989	7516	33.83
c-Industry	675	36882	6840	35449	8158	19.26
d-All Sectors	2017	33454	6186	39328	7666	23.92

Table - 3.2

Statewise and Sectorwise Per Unit Annual Income from the Units.

(Amount in Rs.)

State/ Sector	Sample size	Ist year Per Unit Annual	Reference year Per Unit Annual	Percentages changes in income from the units in reference year
1- U.P.:-				
a-Service	142	7309	6507	(-) 10.97
b-Business	772	5431	7619	40.28
c-Industry	481	6624	7911	19.40
d-All Sectors	1395	6033	7606	26.07
2- Orissa:-				
a-Service	98	6475	7649	18.13
b-Business	330	6049	7274	20.25
c-Industry	194	7375	8771	18.92
d-All Sectors	622	6530	7800	19.43
3- Both States:-				
a-Service	240	6968	6973	0.07
b-Business	1102	5616	7516	33.83
c-Industry	675	6840	8158	19.26
d-All Sectors	2017	6186	7666	23.92

Table - 3.3

Distribution of Beneficiaries having ventures as the only source of Household Income

District	Numbers of sample units	No.of Beneficiaries having the ventures as only source of Household annual income.		Percentage of Beneficiaries having the ventures as the only source of income.	
		Starting year	Reference year	Starting year	Reference year
Agra	376	80	96	21.27	25.53
Almora	199	25	25	12.56	12.56
Allahabad	400	164	152	41.00	38.00
Jalaun	200	48	50	24.00	25.00
Sitapur	220	11	15	5.00	6.81
Cuttack	400	64	69	16.00	17.25
Ganjam	222	79	19	35.58	8.55
All districts	2017	471	426	23.35	21.12

Table - 3.4

Frequency Distribution of Sample Units by Income Groups.

(Number of Units)

Annual Income Group (Earnings for the ventures) (Rs.)	Starting year								Reference year							
	Agra	Almora	Allahabad	Jalaun	Sitapur	Cuttack	Ganjam	Total	Agra	Almora	Allahabad	Jalaun	Sitapur	Cuttack	Ganjam	Total
Less than 4000	64	84	104	55	80	105	26	518	33	37	49	38	40	58	22	277
4001-8000	142	80	162	103	86	205	143	921	131	83	145	109	95	212	127	902
8001-12,000	130	29	104	33	31	70	46	443	140	56	139	41	52	93	58	579
Above 12,000	40	6	30	9	23	20	7	135	72	23	67	12	33	37	15	259
Total	376	199	400	200	220	400	222	2017	376	199	400	200	220	400	222	2017

Table - 3.5

Statement showing decline in the net income from the units (Ventures) in current year.

District	Total Number of sample units	Number of Units showing decline in the net income from the ventures in current year as compared to starting year.	Percentage of Units showing decline in net income from the ventures.
Agra	376	69	18.35
Almora	199	25	12.56
Allahabad	400	32	8.00
Jalaun	200	49	24.50
Sitapur	220	18	8.18
Cuttack	400	35	8.75
Ganjam	222	43	19.36
All districts	2017	271	13.43

Table - 3.6

Statement showing decline in net income from the the units in different sectors during current year.

State/Sectors	Total Number of Sample Units	No.of units showing decline in the net income from the ventures in current year.	Percentage of units showing decline in the net income from the ventures in current year.
1-Uttar Pradesh:-			
a-Service	142	14	9.85
b-Business	772	84	10.88
c-Industry	481	95	19.75
d-All Sectors	1395	193	13.83
2-Orissa:-			
a-Service	98	5	5.10
b-Business	330	58	17.57
c-Industry	194	15	7.73
d-All Sectors	622	78	12.54
3-Both States:-			
a-Service	240	19	7.91
b-Business	1102	142	12.88
c-Industry	675	110	16.29
d-All Sectors	2017	271	13.43

Table - 3.7

Value of per Unit Annual Production of Industrial Sector.

District	Sample size of Industrial units	Value of Annual Production (Amount in Rs) Starting year Total Value	Per Unit Value	Reference year Total Value	Per Unit Value	Percentage changes in per unit value
Agra	197	9456103	48000	12586188	63889	33.10
Almora	40	523600	13090	773822	19345	47.78
Allahabad	133	2998600	22546	3707500	27876	23.64
Jalaun	57	1102440	19341	1234259	21654	11.96
Sitapur	54	735180	13614	909500	16842	23.71
Cuttack	163	2622880	16091	3421523	20991	30.45
Ganjam	31	591000	19064	687000	22161	16.25
All districts	675	18029803	26711	23319792	34548	29.33

Table - 3.8

Distribution of Industrial Units by Value of Annual Production Groups in starting year and in reference year.

District	Sample size of industrial units	Value of Production in Ist Year				Value of Production in Reference year			
		Upto Rs. 10,000	Rs. 10,001 -15000	Rs. 15001 -20,000	Above Rs. 20,000	Upto Rs. 10,000	Rs. 10,001 -15000	Rs. 10,001 -20,000	Above Rs. 20,000
Agra	197	25	34	22	116	23	15	21	138
Almore	40	23	4	4	9	20	3	3	14
Allahabad	133	30	37	18	48	15	23	28	67
Jalaun	57	17	14	10	16	17	10	11	19
Sitapur	54	24	12	12	6	18	9	12	15
Cuttack	163	47	55	36	25	10	49	51	53
Ganjam	31	2	3	13	13	-	3	7	21
All districts	675	168	159	115	233	103	112	133	327

Table - 4.1

Percentage Distribution of Household Income of Beneficiaries from Different Sources in the Reference Year

(Amount in Rs.)

District	No. of House-hold in Sample	Units establi-shed under the Scheme	Agricul-ture and Orchards	Animal Husban-dry.	House-hold In-dustry other than Scheme	Business Commerce and Tra-de other than the Scheme	Salary and Wages	Rent and Interest	Remit-tances	Others	Total Income
Agra	376	43.25	2.44	0.87	1.11	21.13	28.38	1.91	0.66	0.25	100.00
Almora	199	48.18	14.73	2.69	0.07	15.04	16.38	1.76	1.15	-	100.00
Allahabad	400	48.63	0.06	0.38	0.44	29.03	19.26	0.88	1.06	0.26	100.00
Jalaun	200	47.84	6.14	0.60	0.25	25.61	16.40	0.63	2.53	-	100.00
Sitapur	220	38.54	11.26	-	1.83	41.74	6.19	-	0.44	-	100.00
Cuttack	400	46.94	9.99	2.35	0.72	10.73	28.16	0.65	0.46	Neg.	100.00
Ganjam	222	44.08	2.46	0.15	-	20.41	32.90	-	-	-	100.00
All Districts	2017	45.35	5.92	1.06	0.67	21.52	22.47	0.91	0.80	0.10	100.00

Table - 4.2

Per Household Annual Income of the Beneficiaries Before and After the Establishment of the Venture

Description	Agra	Almora	Allahabad	Jalaun	Sitapur	Cuttack	Ganjam	All Districts
1. Total Number of Sample Units	376	199	400	200	220	400	222	2017
2. Per Household Average Income Before starting the venture	9638	8114	9828	7493	6339	10719	9350	9136
3. Per Household Average Income After starting the venture (First Year)	13641	14258	14717	13347	13700	15983	17857	14821
4. Percentage changes in Household Income after starting the venture	41.52	75.72	49.75	78.13	116.12	49.11	90.98	62.23
5. Per Household Average Income in the reference year.	17984	16918	17232	13862	16326	16953	17051	16833
6. Percentage changes in Household Income in reference year over the First year.	31.84	18.66	17.09	3.86	19.17	6.07	(-)4.51	13.58
7. Percentage changes in Household Income in reference year as compared to before starting the venture.	86.59	71.53	75.34	85.00	157.55	58.16	82.36	84.25

Table - 4.3

Distribution of Beneficiary Families by Income Groups Before and After Establishment of Ventures

Income Group (Rs. Per Family Per Year)	Agra			Almora			Allahabad			Jalaun			Sitapur			Cuttack			Ganjam			All Districts		
	B	A	R	B	A	R	B	A	R	B	A	R	B	A	R	B	A	R	B	A	R	B	A	R
Less than 5000	130	58	57	99	22	18	245	52	29	132	22	10	85	8	12	153	62	26	165	22	9	1009	246	161
5,000 - 10,000	118	63	45	62	60	40	94	87	72	60	59	59	117	57	31	128	110	37	25	59	28	604	495	312
10,000 - 15,000	66	82	62	23	38	38	34	94	81	7	68	52	15	90	66	67	132	162	21	32	39	233	536	500
15,000 - 25,000	48	108	135	14	64	74	20	100	127	-	43	61	3	49	90	47	73	122	41	71	96	136	508	705
25,000 - 40,000	10	50	50	1	14	26	4	43	61	1	2	12	-	16	18	5	21	45	6	31	39	27	177	251
Above 40,000	4	15	27	-	1	3	3	24	30	-	6	6	-	-	3	-	2	8	1	7	11	8	55	88
All Groups	376	376	376	199	199	199	400	400	400	200	200	200	220	220	220	400	400	400	222	222	222	2017	2017	2017

Note : B : Before Establishment of Units under the scheme
A : After the Establishment of Units under the scheme
R : In the reference year (when survey was conducted).

Table - 4.4

Employment generation through the Scheme in the units.

District	Number of sample units	Number of Persons Employed							
		Ist year				Current year			
		Full time		Part time		Full time		Part time	
		Family *	Hired	Family *	Hired	Family *	Hired	Family *	Hired
Agra	376	387	182	5	5	399	445	16	12
Almora	199	222	26	29	12	231	36	35	-
Allahabad	400	408	170	2	5	412	304	4	7
Jalaun	200	205	17	9	1	235	94	4	-
Sitapur	220	224	41	6	-	230	62	-	10
Cuttack	400	405	163	11	16	426	269	21	14
Ganjam	222	223	61	3	1	222	47	-	1
All Districts	2017	2074	660	65	40	2155	1257	80	44

* Includes the beneficiaries themselves.

Table - 4.5

Level of Employment in Sample Units of Different Sectors.

State/Sector	Ist year				Reference year			
	Full time		Part time		Full time		Part time	
	Family *	Hired	Family *	Hired	Family *	Hired	Family *	Hired
Uttar Pradesh:-								
a-Service	148	25	2	2	148	62	3	4
b-Business	801	61	29	15	836	160	37	15
c-Industry	498	342	20	6	523	719	19	10
d-Total	1447	436	51	23	1507	941	59	29
Orissa:-								
a-Service	98	12	5	2	102	35	3	2
b-Business	330	83	3	5	333	97	4	5
c-Industry	199	129	6	10	213	184	14	8
d-Total	627	224	14	17	648	316	21	15
Both States:-								
a-Service	246	37	7	4	250	97	6	6
b-Business	1131	152	32	20	1169	257	41	20
c-Industry	697	471	26	16	736	903	33	18
d-Total	2074	660	65	40	2155	1257	80	44

* Includes the beneficiaries themselves.

Table - 4.6

Districtwise Wage Levels of Hired Workers (Full time) in the venture during the reference year.

District/Sector	Number of hired workers in the sample units	Per worker annual wages (Rs.)
Agra:-		
a-Service	8	4615
b-Business	35	4388
c-Industry	402	7191
d-All Sectors	445	6924
Almora:-		
a-Service	5	2040
b-Business	11	3362
c-Industry	20	4720
d-All Sectors	36	3933
Allahabad:-		
a-Service	35	4404
b-Business	52	4028
c-Industry	217	4419
d-All Sectors	304	4350
Jalaun:-		
a-Service	7	3613
b-Business	28	2429
c-Industry	59	3598
d-All Sectors	94	3251
Sitapur:-		
a-Service	7	4344
b-Business	34	4452
c-Industry	21	5800
d-All Sectors	62	4896
Cuttack:-		
a-Service	28	3228
b-Business	70	3138
c-Industry	171	3211
d-All Sectors	269	3194
Ganjam:-		
a-Service	7	3108
b-Business	27	2995
c-Industry	13	2507
d-All Sectors	47	2877
All Districts:-		
a-Service	97	3805
b-Business	257	3109
c-Industry	903	5382
d-All Sectors	1257	4796

Table - 4.7

Sectorwise Wage Levels of Hired (Full time) Workers Employed in the sample units.

State/Sector	Total numbers of hired workers (Full time)	Per workers yearly wages (Rs.)
Uttar Pradesh:-		
a-Service	62	4145
b-Business	160	3115
c-Industry	719	5950
d-All Sectors	941	5349
Orissa:-		
a-Service	35	3204
b-Business	97	3098
c-Industry	184	3161
d-All Sectors	316	3147
Both States:-		
a-Service	97	3805
b-Business	257	3109
c-Industry	903	5382
d-All Sectors	1257	4796

Table - 4.8

Frequency distribution of hired workers engaged in the sample units according to their wage levels.

Yearly Wage Levels (Rs.)	Number of hired workers in the district							Total
	Agra	Almora	Allahabad	Jalaun	Sitapur	Cuttack	Ganjam	
Less than 500	32	4	18	2	2	12	4	74
500-1000	38	3	26	7	3	21	9	107
1000-2000	38	9	43	32	11	58	14	205
2000-4000	83	10	82	36	18	161	16	406
4000-6000	98	7	98	9	15	12	3	242
Above 6000	156	3	37	8	13	5	1	223
Total	445	36	304	94	62	269	47	1257

Table - 5.1

Level of knowledge about the procedure of subsidy among the beneficiaries

District	No.of beneficiaries	No.of beneficiaries who had no knowledge of subsidy	Percentage of beneficiaries who had no knowledge of subsidy	No.of beneficiaries who did not like the procedure of subsidy	Percentage of beneficiaries who did not like the procedure of subsidy
Agra	376	27	7.18	31	8.24
Almora	199	29	14.57	43	21.60
Allahabad	400	39	9.75	15	3.75
Jalaun	200	26	13.00	27	13.50
Sitapur	220	8	3.63	37	16.81
Cuttack	400	22	7.75	128	32.00
Ganjam	222	9	4.05	11	4.95
All Districts	2017	160	7.93	301	14.92

Table - 5.2

Level of knowledge about the procedure of subsidy among the beneficiaries in different sectors.

State/Sector	No.of beneficiaries in the sample	No.of beneficiaries who had no knowledge of subsidy	Percentage of beneficiaries who had no knowledge of subsidy	No.of beneficiaries who did not like the procedure of subsidy	Percentage of beneficiaries who did not like the procedure of subsidy.
Uttar Pradesh:-					
a-Service	142	16	11.26	7	4.92
b-Business	772	65	8.41	93	12.04
c-Industry	481	48	9.97	53	11.01
d-All Sectors	1395	129	9.24	153	10.96
Orissa:-					
a-Service	98	1	1.02	27	27.55
b-Business	330	14	4.24	62	18.78
c-Industry	194	16	8.24	59	30.41
d-All Sectors	622	31	4.98	148	23.79
Both States:-					
a-Service	240	17	7.08	34	14.17
b-Business	1102	79	7.17	155	14.07
c-Industry	675	64	9.48	112	16.59
d-All Sectors	2017	160	7.93	301	14.92

Table - 5.3

Problems faced by the beneficiaries in starting the ventures.

Nature of Problem	Agra	Almora	Allahabad	Jalaun	Sitapur	Cuttack	Ganjam	Total
1. Problem of Land and Premises	8 (2.13)	35 (17.59)	21 (5.25)	-	8 (3.64)	71 (17.75)	18 (8.11)	161 (7.98)
2. Problem in procurement of Machineries and Tools	17 (4.52)	14 (7.04)	25 (6.25)	-	9 (4.09)	13 (3.25)	19 (8.56)	97 (4.81)
3. Non-availability of Raw-Material	9 (2.39)	5 (2.51)	17 (4.25)	32 (16.00)	21 (9.55)	22 (5.50)	7 (3.15)	113 (5.60)
4. Non-availability of Skilled Worker	16 (4.26)	9 (4.52)	9 (2.25)	28 (14.00)	-	21 (5.25)	4 (1.80)	87 (4.31)
5. Delay in Power Connections	5 (1.33)	11 (5.53)	10 (2.50)	8 (4.00)	12 (5.45)	8 (2.00)	5 (5.25)	59 (2.93)
6. Shortage of Funds	7 (1.86)	12 (6.03)	6 (1.50)	10 (5.00)	13 (5.91)	14 (3.50)	9 (4.05)	71 (3.52)
Total Sample	376 (100.00)	199 (100.00)	400 (100.00)	200 (100.00)	220 (100.00)	400 (100.00)	222 (100.00)	2017 (100.00)

Note: Figures in Bracket are percentage of sample.

Table - 5.4

Periodicity of visits made by the officials of DICs and Banks to the ventures (units).

District	Sample size	Beneficiaries reported that the officials of DIC and Banks visited their ventures	Periodicity of visit				
			Once in a month	Four times in a year	Thrice in a year	Twice in a year	Once in a year
Agra	376	363	26	56	38	134	109
Almora	199	189	44	6	2	42	95
Allahabad	400	348	104	21	29	73	121
Jalaun	200	181	68	29	12	49	23
Sitapur	220	196	64	19	30	45	38
Cuttack	400	314	20	69	18	99	108
Ganjam	222	199	4	31	34	71	59
All Districts	2017	1790	330	231	163	513	553

Table - 5.5

Level and nature of help rendered by DIC to the beneficiaries.

District	Number of sample units	No. of beneficiaries who had been helped by DIC	Nature of help				
			Identification of the project	Formulation of the project	Providing Training and Skill	Providing other inputs	Marketing and others
Agra	376	66	3	59	4	-	-
Almora	199	6	3	1	1	-	1
Allahabad	400	13	4	-	-	1	8
Jalaun	200	30	2	25	-	-	3
Sitapur	220	39	4	29	1	2	3
Cuttack	400	68	4	22	8	4	30
Ganjam	222	10	2	3	1	-	4
All Districts	2017	232	22	139	15	7	49

Table - 5.6

Level of satisfaction among beneficiaries in the procedure adopted in obtaining loan and their suggestions in this regard

District	Sample size	Number of beneficiaries who were not satisfied with the procedure	Suggestion of the beneficiaries who were not satisfied with the procedure			
			Simple and clear procedure	Selection of beneficiaries and disbursement of loan should be done by single body	Early decision and prompt service	Disbursement of total loan in cash
Agra	376	35	31	18	23	4
Almora	199	25	19	2	4	5
Allahabad	400	20	9	1	6	4
Jalaun	200	21	20	7	4	9
Sitapur	220	25	11	9	10	4
Cuttack	400	73	37	13	13	10
Ganjam	222	16	13	4	5	4
All Districts	2017	215	140	54	65	40

Table - 5.7

Level of satisfaction among beneficiaries with the assistance rendered by the concerning staff.

District	Sample size	No. of beneficiaries who were not satisfied with the service of the staff	Complaints reported by the beneficiaries			
			Demanded money	Not co-operative	Unnecessary delay in work	Harrasment
Agra	376	53	30	7	6	10
Almora	199	52	31	5	7	9
Allahabad	400	37	22	4	5	6
Jalaun	200	19	12	2	2	3
Sitapur	220	58	32	12	6	8
Cuttack	400	117	63	34	8	12
Ganjam	222	15	7	3	2	3
All Districts	2017	351	197	67	36	51